JOURNAL

of the

SENATE

of the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF KENTUCKY

Regular Session of 1960

Held in the State Capitol in the Capital City of Kentucky, at
Frankfort, in the Year of Our Lord 1960 and
in the One Hundred and Sixty-Eighth
Year of the Commonwealth

Begun on the Fifth Day of January, 1960, and Adjourned
Sine Die on the Eighteenth Day of March, 1960

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JOURNAL

OF THE

KENTUCKY SENATE

COMMONWEALTH OF KENTUCKY

REGULAR SESSION OF 1960

TUESDAY, JANUARY 5, 1960

FIRST LEGISLATIVE DAY

At a General Assembly of the Commonwealth of Kentucky, held at the Capitol in the City of Frankfort, and begun on January 5, 1960, the one hundred and sixty-eighth year of the Commonwealth, in accordance with the provisions of the Constitution, the Honorable Wilson W. Wyatt, Lieutenant Governor of the Commonwealth, and President of the Senate, assumed the chair and called the Senate to order.

Prayer by the Reverend Carter Roberts of the Church of the Nazarene of Frankfort.

Mr. Charles Waggoner, Chief Clerk of the Senate during the last session of the General Assembly, read the following certificate from the Secretary of State:

CERTIFICATION

I, Henry H. Carter, Secretary of State of the Commonwealth of Kentucky, do hereby certify that the attached is a list of the membership of the General Assembly of the Commonwealth of Kentucky as compiled by this office, according to the records on file in said office and from the best information obtainable; and that same is a true and correct copy as I verily believe.

Given under my hand and seal of office, this 5th day of January, 1960.

Henry H. Carter
Secretary of State
Commonwealth of Kentucky

The following Senators produced their certificates of election, appeared before the bar of the Senate, and were administered their oaths of office by the Chief Justice Morris C. Montgomery of the Court of Appeals of Kentucky.

George Brand
George E. Overbey
Everett White
Rex A. Logan
Richard L. Garnett
Lambert Hehl, Jr.
Fred F. Bishop
H. Nick Johnson
Archie Craft
George D. Conley
Ed J. Kelly
Burnis T. Martin
Shelby C. Kinkead
O. O. Duncan
Durham W. Howard
C. W. A. McCann
Tom Raney
Bernard J. Bonn
Martin J. Duffy, Jr.

Frank H. Bassett, Jr., Fred F. Bishop, H. Stanley Blake, George Brand, J. Murray Blue, Bernard J. Bonn, Ulysses G. Byers, George D. Conley, Archie Craft, Charles H. Davis, Mrs. J. Harry Davis, Herbert T. Derickson, Martin J. Duffy, Jr., O. O. Duncan, Cabell D. Francis, Richard L. Garnett, James R. Hamilton, Lambert Hehl, Jr., B. E. Hickerson, Clyde S. Howard, Durham W. Howard, Sam R. Hubbard, Paul Jackson, H. Nick Johnson, Ed J. Kelly, Alvin Kidwell, Shelby C. Kinkead, Rex A. Logan, Burnis T. Martin, C. W. A. McCann, Strother Melton, Scott Miller, Jr., George E. Overbey, Tom Raney, E. W. Richmond, James C. Ware, Everett White, Gates F. Young.

The President announced that election of the Chief Clerk was in order. Senator Francis nominated the Honorable John W. Willis.

On the roll call, the vote was: Yeas 32—Bassett, Blake, Bonn, Conley, Craft, Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. Election of John W. Willis was passed.

Mr. Willis appeared before the bar of the Senate and was administered the oath of office by Chief Justice Morris C. Montgomery of the Court of Appeals. The President vacated chair for the Clerk.

Senator Francis nominated the Honorable Alvin Kidwell, Senator from Gallatin County, President Pro Tempore of the Senate.

Senator Miller nominated the Honorable Durham W. Howard, Senator from Bell County, as President Pro Tempore of the Senate.

On the roll call, the vote was: Yeas 30—Bassett, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 8—Bishop, Byers, Mrs. J. Harry Davis, Duncan, Hubbard, Johnson, Kidwell, Miller. Senator Kidwell was elected President Pro Tempore of the Senate.

Senator Kidwell appeared before the bar of the Senate and was administered the oath of office by Chief Justice Morris C. Montgomery of the Court of Appeals.

The President resumed the chair.

The President announced that the Democratic Party, in caucus assembled, had elected the Honorable James C. Ware, Senator from Kenton County, Majority Floor Leader of the Senate.

The President announced that election of other constitutional officers was in order.

The following officers were nominated by Senator Francis and elected by acclamation:

Assistant Clerk of Senate—Mrs. Mary Elizabeth Lord

Sergeant-at-Arms—Alvin Wells

Enrolling Clerk—Elesteen Hager

Door Keeper—Walter E. Armour

Janitor—John S. Webb

Cloak Room Keeper—T. L. Barnes

Pages—Bill Meredith and William Martin, full terms each and Frank Newberry and Scott Richmond each one-half term.

The above named officers appeared before the bar of the Senate and were administered the oath of office by Chief Justice Morris C. Montgomery of the Court of Appeals.

Introduction of Bills and Resolutions

SR 1, by Senator Ware:

SR 1, A RESOLUTION adopting temporary rules to govern the 1960 regular session of the Senate.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the following rules are adopted as the temporary rules to govern the Senate during the 1960 session of the General Assembly, superseding the rules under which the Senate has operated.

RULES OF THE SENATE

1960 REGULAR SESSION

SESSIONS OF THE SENATE

Rule 1. **Hours of Meeting.** The Senate shall meet at 1 p.m., except on Monday, when it shall meet at 8:00 p.m. The official time shall be governed by the clock over the main entrance to the Senate Chamber.

Rule 2. **Quorum.** A majority of the Senators elected to the Senate shall constitute a quorum. If a quorum is not present at the time fixed for a meeting of the Senate, four Senators may adjourn or recess from day to day or from time to time and eight Senators may order a call of the Senate and send for absent Senators.

Rule 3. **Call of the Senate.** Upon a call of the Senate the Clerk shall call the roll, then call the absentees again. The doors of the Senate Chamber shall then be closed and the absentees not excused by the Senate may be sent for and arrested by the Sergeant-at-Arms. The Senate shall determine upon what conditions they shall be discharged from arrest. Senators who voluntarily appear shall be immediately admitted to the floor of the Senate and their names entered upon the Journal as present, unless the Senate otherwise directs.

Order of Business

Rule 4. **Order of Business.** The order of business shall be as follows:

1. Invocation.
2. Roll Call.
3. Reading and Approval of the Journal.
4. Motions, Petitions and Communications.
5. Reading of New Bills and Resolutions Introduced by Title and Sponsor.
6. Report of Committees.
7. First Reading of Bills.
8. Second Reading of Bills.
9. Orders of the Day.
10. Announcements.
11. Reference of Bills to Committees.

No more than thirty minutes shall be allotted to Motions, Petitions and Communications.

Rule 5. **Unfinished Business.** Unfinished business which was being considered upon adjournment shall have precedence in the class of business to which it properly belongs upon the next succeeding legislative day.

Motions

Rule 6. **Reading of Motions.** When a motion has been made and seconded, it shall be stated by the chair, or, being in written form, it shall be read by the Clerk before debate, amendment or motion concerning it shall be in order.

Rule 7. **Withdrawal of Motions.** Every oral motion after it has been stated by the President, and every written motion, bill, resolution or other paper, after it has been read by the Clerk, shall be the property and in possession of the Senate, and shall not be withdrawn without consent of the Senate. Every written motion, report or measure may be committed or recommitted at the pleasure of the Senate.

Rule 8. **Order of Questions.** All questions, whether in Committee of the Whole or in the Senate, when not a privileged question, shall be propounded in the order in which they were moved, except that in filling blanks the smallest sum and the most remote date shall be put first.

Rule 9. **Precedence of Motions.** When a question is under consideration, no motion shall be in order except:

1. To fix the time to which the Senate shall adjourn.
2. To adjourn.
3. To take recess.
4. To lay on the table.
5. For the previous question.
6. To postpone to a fixed time.
7. To commit.
8. To amend.
9. To postpone indefinitely.

The above several motions shall have precedence in the order in which they are arranged and the first five of them shall not be debatable.

A second motion to adjourn, to take a recess, to lay on the table, for the previous question, to postpone to a time certain, to commit or to postpone indefinitely shall not be in order on the same day, upon the same question, and at the same status unless other business intervenes; provided, however, that amendments may be made to the time to which it is proposed to adjourn, to take a recess or to postpone.

Rule 10. **Motion to Strike Out Enacting Clause.** A motion to amend by striking out the enacting words of a bill or resolution shall have precedence over a motion to amend; and, if adopted, shall have the same effect as though the bill or resolution were regularly voted upon and rejected.

Rule 11. **Motion to Adjourn.** A motion to adjourn, to take a recess, or a motion to adjourn to a time certain, shall always be in order, except when a Senator is speaking, while a vote is being taken or when the Committee on Committees is reporting; subject, however, to the limitations set out in Rule 9.

Rule 12. **Previous Question.** When the previous question has been ordered, a vote shall be taken immediately upon the pending measure and such pending amendments as are in order. The effect of the previous question shall be to put an end to all debate; to prevent the offering of additional amendments and to bring the Senate to an immediate vote upon the measure and amendments aforesaid. The previous question may be ordered by a majority of the Senators elected. On the call of the roll, no Senator shall be allowed to speak more than three minutes to explain his vote and shall not speak at all if the question is not a debatable question. After the previous question has been ordered, and before the vote upon the main question, the opponents of the measure shall have ten minutes, and proponents of the measure shall have ten minutes.

Rule 13. **Motion to Separate Part of a Measure.** A motion to commit, recommit, or postpone a part of a measure so as to separate that part of the measure from the remainder shall not be in order.

Rule 14. **Motion to Reconsider.** A motion to reconsider a vote shall not be in order unless made by a Senator who voted upon the prevailing side of the question; nor shall such motion be in order unless made within two legislative days in which the Senate is in session next after the day the vote was taken; however, the motion to reconsider when coupled with the additional motion to lay that motion upon the table may be made by any Senator.

Rule 15. **Postponement of Measures.** When a measure shall have been postponed indefinitely it shall not be in order again during the session.

Rule 16. **Reading of Pending Papers.** Any pending bill, resolution, motion or report shall be read by the Clerk upon the demand of any Senator, but it shall not again be read on the same day unless so ordered by the Senate.

Rule 17. **Nominations.** In all elections a previous nomination shall be made.

Members

Rule 18. **Attendance of Members.** No Senator shall absent himself from a session of the Senate without leave from the Senate.

Rule 19. **Decorum of Members.** No Senator shall designate another Senator by name.

Rule 20. **Call to Order.** If any Senator, in speech or otherwise, transgress the rules order or decorum, he shall immediately be called to order by the chair and shall take his seat. The Clerk shall reduce the objectionable words to writing and read them to the Senate. After hearing a short explanation from the Senator called to order, or upon the withdrawal of the objectionable language, the President may permit the Senator to proceed, or may compel silence upon him until the matter is disposed of. The ruling of the chair shall be subject to an appeal to the Senate. A Senator offending the Senate shall be liable to censure.

Rule 21. **Debate.** No Senator may speak more than once on the same subject until all Senators desiring to be heard have spoken, but nothing in this rule shall do away with the previous question if then in effect, nor permit debate on an undebatable motion.

No Senator shall speak more than thirty minutes in the aggregate on any question or measure, at the end of which period, or any portion thereof, the floor shall be returned to the President.

Rule 22. **Members Shall Vote at Seats.** A Senator shall vote only when at his seat or visibly approaching it.

Officers and Employees

Rule 23. **Duties of President.** The President shall take the chair every day precisely at the hour fixed for the meeting of the Senate and, on the appearance of a quorum, shall cause the Journal of the preceding day to be read, unless the reading of the same is dispensed with by the Senate.

The President shall preserve decorum and order and, in the event of any disorder in the gallery or in the Senate Chamber, may cause the same to be cleared of any persons creating disturbances or disorders.

All writs, warrants, subpoenas or other processes shall be signed by the officer who may be presiding over the Senate when the paper is issued; and his signature shall be attested by the Clerk, when ordered by a majority of the Senators.

Rule 24. **Appeal from Decision of Chair.** The President while presiding may speak to points of order in preference to Senators. He shall decide points of order and manner of procedure. If two or more Senators arise from their respective seats and address the chair, the President shall determine who was first and recognize him. Any decision made by the President shall be subject to appeal to the Senate. Every such appeal shall be in writing and signed by at least two Senators. During the pendency of any appeal to the Senate from a decision of the chair, the President shall vacate the chair and call the President Pro Tem to preside.

Rule 25. **President Pro Tempore.** If the President be called upon to administer the government or resign, die or be absent from the State, the President Pro Tem of the Senate shall have the rights and perform all the duties pertaining to the office of the President of the Senate. The President Pro Tem shall preside over the Senate in the absence of the President of the Senate. The President Pro Tem may designate any Senator to preside in the absence of both the President and President Pro Tem and to perform all duties of the President Pro Tem including duties as a member of the Committee on Committees. Such designation by the President Pro Tem may be made from time to time or for such duration of time as the President Pro Tem may designate and each such designation shall be in writing filed with the Clerk of the Senate.

Rule 26. **Duties of Clerk.** The Clerk shall have charge and supervision of all the clerical business of the Senate. He shall have charge of the Clerk's section of the Senate Chamber and shall see that no one is permitted therein except himself and those assisting him. Half an hour before the time fixed for the meeting of the Senate each day, the Clerk or one of his assistants shall be present at the Clerk's desk with the minutes of the preceding session for the inspection of any Member of the Senate.

The Clerk shall read to the Senate papers ordered to be read; call the roll and note and report the absentees when a call of the Senate is ordered; call the roll and note the answers of members when a question is taken by yeas and nays; assist the President in taking the count when any vote of the Senate is taken; notify committees of their appointment and business referred to them; attest all writs, warrants and subpoenas issued by order of the Senate; keep a calendar showing such bills as are entitled to their second reading each day, distinguishing between House and Senate bills; superintend the engrossing and enrolling of bills; certify to the passage of all bills and to the adoption of all joint and concurrent resolutions by the General Assembly; and make all reports to the House, unless otherwise ordered.

Rule 27. **Journal of Proceedings.** The Clerk shall cause to be kept the Journal of the proceedings of the Senate. The Clerk shall note upon the Journal all questions of order, together with the disposition of same, and the dates upon which all bills and resolutions were sent to committee and returned to the Senate. The Senate may correct errors in the Journal the day the Journal containing errors is presented to the Senate. No record which is in the hands of the Clerk and is required by law to be entered upon the Journal of the Senate shall be copied by any person until same shall have been entered upon the Journal and said Journal shall have been approved.

The Clerk shall transmit the Journal for each day as soon as it has been approved by the Senate to the Legislative Research Commission, which shall deliver it to the public printer. The Commission staff shall proofread and index the Journal upon return from the printer and make necessary typographical corrections.

Rule 28. **Custody of Papers.** The Clerk shall have custody of all records, papers and bills of the Senate and shall not allow them to be taken out of his possession without the leave of the Senate, unless to be delivered to the chairman of a committee to which they have been referred or to the public printer, and then he shall take a proper receipt therefor. He shall endorse on bills and papers brief notes of proceedings had thereon by the Senate and preserve the same in convenient files for reference.

Rule 29. **Accounts of Expenditures.** The Legislative Research Commission shall keep the accounts for pay and mileage of members, officers and attaches, and for printing and other contingent expenses of the House and Senate.

Rule 30. **Printing of Senate Papers.** The Clerk shall have supervision and charge of all printing done for the Senate and the public printer shall print only such documents and other matter as the Clerk authorizes. He shall report to the President, to be submitted to the Senate, every failure of the printer to execute work correctly and promptly.

Rule 31. **Duties of the Sergeant-at-Arms.** It shall be the duty of the Sergeant-at-Arms and Doorkeeper to exclude or remove all persons not entitled to the floor of the Senate. Fifteen minutes before convening of the Senate each day the Sergeant-at-Arms shall announce in a loud, distinct voice: "All persons not entitled to the floor of the Senate under the rules thereof will now vacate the Senate Chamber." He shall then compel all persons who are not entitled to remain therein to leave the Senate Chamber and shall prohibit their entry until thirty minutes after the Senate has adjourned.

The Sergeant-at-Arms of the Senate, before any joint session is to be held, shall request the Sergeant-at-Arms of the House to arrange for the seating of the Members of the Senate in a body. The Senators will assemble in the Senate Chamber five minutes before the meeting of any joint session and go to the House in a body.

Rule 32. **Conduct of Employees.** All the constitutional employees of the Senate shall, one hour before the meeting of the Senate each day, report to the Clerk, who shall report to the Committee on Committees whether or not all of said employees are on duty. The Committee on Committees, whenever it deems it necessary, shall report to the Senate any dereliction of duty.

All other professional, clerical and other employees required by the Senate or any of its committees shall, as authorized by the Committee on Committees, be provided by the Legislative Research Commission and shall be under the general supervision of the Committee on Committees and the immediate supervision of the Director of the Commission. The Director of the Commission shall report any dereliction of duty by employees to the Committee on Committees of the Senate; and the Committee on Committees, whenever it deems it necessary, shall report to the Senate any dereliction of duty.

No officer or employee of the Senate shall receive any fee, tip or compensation from any Senator and violation of this rule shall be ground for dismissal.

Rule 33. **Committee on Committees.** There shall be a Committee on Committees composed of the President of the Senate, the President Pro Tem and the Majority Floor Leader of the Senate, and the majority of said committee shall have **full power to act on all matters referred** to said committee either by these rules or by action of the Senate.

All bills and resolutions, either joint or concurrent, shall, upon their introduction, be automatically referred to the Committee on Committees who shall refer same to the proper committee not later than the second day in which the Senate is in session after the date of introduction.

The President of the Senate shall be Chairman of the Committee on Committees and in his absence, President pro tem shall serve as Chairman.

The Committee on Committees shall have supervision and control over all employees of the Senate, whether elected by the Senate or appointed by the Committee on Committees or otherwise, and the Committee on Committees shall see that they perform all of their duties to the Senate and the members thereof. The Committee on Committees is empowered to discharge any or all of said employees and officers except the constitutional officers of the Senate. The Committee on Committees shall appoint the members of all other standing and special committees and shall fill any vacancies thereon.

Rule 34. **Standing Committees.** The following shall be the standing committees of the Senate:

Committee on Committees

Rule 35. **Committee on Claims.** All resolutions to authorize the filing of suits or payment of claims against the Commonwealth or any department or agency of the State shall, upon their introduction, be referred by the Clerk to the Committee on Claims. Each person seeking to obtain such authorization for suit shall file with the Committee on Claims a statement, duly sworn and subscribed to, in which all the facts and circumstances connected with the cause of action on which such person seeks to recover are set forth; and such statement shall set forth a prima facie case against the Commonwealth of Kentucky or any department or agency of the State before the Committee shall report such resolution with the expression of opinion that the same should pass.

Rule 36. **Rules Committee.** No bill shall be considered by the Senate during the last fifteen legislative days of the session of the Senate or during any special session except upon the recommendation or report of the Rules Committee previously obtained. The Rules Committee shall determine the order in which bills shall be taken up and considered during the last fifteen legislative days.

If and when the time be fixed for the sine die adjournment of the session of the General Assembly, the last fifteen legislative days shall be held and construed to mean the last fifteen legislative days next prior to the time so fixed. If the resolution be adopted for sine die adjournment within fifteen days of the time fixed for such adjournment, then the Rules Committee shall take charge for such lesser number of days as may remain from the time such resolution for sine die adjournment is adopted and the time fixed for such adjournment.

The Majority Floor Leader of the Senate shall act as chairman of the Rules Committee. The Majority Floor Leader of the Senate shall act for the Rules Committee in calling from committee any bills or resolutions and shall be recognized by the President for said purpose during all times that the Rules Committee is in charge. The President Pro Tem shall act as chairman in the absence of the Majority Floor Leader.

Rule 37. **Committee on Conference.** When a Senate bill has been amended in the House and the Senate refuses to concur in said amendment, or when a House bill has been amended in the Senate and the House refuses to concur in said amendment, and when neither will recede from such action, the Committee on Committees shall appoint a Committee on Conference to meet a like committee from the House. The Committee on Conference shall confer with the House Committee and report back to the Senate within a resonable time, in the same manner as reports are made for Senate bills. The conference report shall be voted upon, and if adopted the bill shall immediately be put upon its final passage.

Rule 38. **Appointment of Committees.** The Committee on Committees shall appoint the members of all standing and special committees and shall fill any vacancies thereon. The Committee on Committees shall select members distributed as equally as possible from among Congressional districts, and in proportion to the representation of each political party in the Senate.

Rule 39. **Meetings of Committees.** No committee except the Committee on Committees, the Committee on Enrollment, and a Committee on Conference between the House and Senate shall sit while the Senate is in session, unless by consent of the Senate. The Committee on Committees and Committee on Enrollment may report at any time except during roll call or while a vote is being taken.

The Committee on Committees, in conference with committee chairmen, shall schedule a definite time and place for the meetings of each committee, such schedule to be posted in the Senate Chamber and published in the **Legislative Record.** A committee shall meet at the scheduled time and place so long as business is pending before the committee.

The Chairman shall keep a record of the attendance of members at meetings, which record shall be filed with the Clerk.

The Director of the Legislative Research Commission, under the direction of the Committee on Committees, shall assign a secretary to each committee and provide any professional, clerical or other employees required by any committee.

Rule 40. **Committee Reports.** Every committee should report the disposition of every bill and resolution referred to it as promptly as possible. Upon the call of standing committees, the Clerk or the chairman or ranking member of the committee may report the bill in the following manner.

"With the expression of opinion that the same should pass," or,

"With the expression of opinion that the same should pass, with the committee amendment attached thereto," or,

"With the expression of opinion that the same should pass, with the committee substitute attached thereto," or,

"With the expression of opinion that the same should not pass," or,

"Without expression of opinion."

Rule 41. **Majority and Minority Reports.** It shall require a majority of the committee membership to report a bill favorably. The chairman shall keep a record of the vote of each member on the disposition of each bill, and shall report the total vote on each side to the Senate. The chairman may sign reports on behalf of a majority of the committee members and his signature shall attest to the action of a majority but shall not be construed as his personal approval or disapproval of the bill.

A committee report may be accompanied by a minority report, signed by those members who have dissented from the committee's report, and it shall be in order to move the adoption of the minority report as a substitute for the committee's report when the committee offers its report. It shall require a majority of the members elected to adopt the minority report. The committee's report shall always be read before the minority report is read.

Rule 42. **Failure to Report.** Whenever a committee fails or refuses to report within a reasonable time a bill submitted to it, the same may be called up by any Senator and considered as if it had been regularly reported if a majority of Members elected to the Senate concur therein.

Rule 43. **Procedure in Committee.** The rules of procedure in the Senate shall be observed in committee in so far as the same are applicable.

Bills and Resolutions

Rule 44. **Form of Bills.** All bills shall be typewritten, with one original and four distinctly legible copies. The original shall be the official bill, and shall be retained by the Clerk for the use of the Senate and House. The second copy shall be used for committees. The third copy shall be for the use of the press and shall be given to a person designated by the press club. The fourth copy shall be provided to the Legislative Research Commission; and the fifth to the bill drafting section of the Commission. All copies shall be backed with a protective cover as provided for this purpose by the Legislative Research Commission. The title of the bill, or a portion thereof, and the signature of the Senator introducing the bill shall be placed on the cover.

Rule 45. **Introduction of Bills.** Bills and resolutions may be introduced from the floor in the regular Order of Business or by filing them with the Clerk at any time that his office is open and before the Senate adjourns for the day. The Clerk shall number bills in the order received, record their introduction, and transmit a copy immediately to the Committee on Committees for reference to committee.

Rule 46. **Reference of Bills.** The Committee on Committees shall refer all bills to the proper standing committee not later than the second day in which the Senate is in session after the date of introduction. When a Senate bill has been amended in the House and has been returned to the Senate for concurrence in the amendment, it may be referred to a committee in the same manner as original bills are referred. Bills originating in and passed by the House when reported to the Senate shall be referred to the Committee on Committees and shall take the same course as other bills.

Rule 47. **Printing of Bills.** The Legislative Research Commission shall examine the form of all bills to ensure that they are free from errors of form or typography. If a formal change is necessary, the Commission shall request the sponsor of the bill to sign a form approving the specified changes. If a bill is found to be correct, or corrections have been approved, the Commission shall authorize its printing.

The Legislative Research Commission shall have printed two hundred copies of each bill or resolution carrying the force and effect of law introduced in the Senate and of each bill or resolution carrying the force and effect of law acted on by the House and reported to the Senate. Bills shall be printed in the order in which they are certified by committee and distributed to Members immediately upon receipt from the printer. No bill shall be copied or distributed by any person until the same shall have been printed and returned with the printed copies thereof to the Clerk.

Rule 48. **Readings of Bills.** If a bill be reported with the expression of opinion that it should pass, or without expression of opinion, a vote may then be taken on whether it shall be read at length and be placed on the Calendar, if a majority of the Members elected to the Senate shall concur therein. When reported favorably by the committee, the bill shall then be given its first reading at length and shall be placed by the clerk upon the Calendar to be kept by him, and shall then be entitled to its second reading the next succeeding legislative day.

Every bill shall be read at length on three different legislative days; but the second and third readings thereof at length may be dispensed with by a majority of all the members elected to the Senate and the bill read by its title.

Rule 49. **Calendar.** The Clerk shall keep a Calendar for each legislative day of the session showing the bills entitled to a second reading upon that day and shall post conspicuously the number of all bills recommended for said Calendar by the Rules Committee.

Bills and resolutions authorizing suits or claims against the Commonwealth shall automatically be placed upon a separate Calendar to be made a special order of business at a time ordered by the Senate.

Rule 50. **Orders of the Day.** When a bill has had its second reading it shall be placed in the Orders of the Day, or be recommitted, and when next reached in the Senate it shall be ready for recommitment, or to be read a third time and placed upon its passage, and the President shall so announce to the Senate.

A bill may be recommitted or amended at any time before its passage. Bills shall be placed in the Orders of the Day in the order in which they have been given their second reading, and shall be taken therefrom in that order, unless otherwise ordered by a majority of Senators elected. When a Senate bill is in the Orders of the Day, it shall be in order on motion of the author to substitute an identical House bill which is in the Orders of the Day of the Senate.

Rule 51. **Final Passage.** When a Senate bill has been amended in the House and the Senate has concurred in the amendment, the bill as amended shall immediately be placed upon its passage.

Rule 52. **Amendments to Bills.** All amendments offered shall be on sheets with a proper heading printed in black, furnished by the Clerk, and shall bear the signature of the Senators offering the same. All amendments shall give the proper page and line of the printed bill. Two copies of each amendment shall be introduced and the Clerk shall forward one copy to the Legislative Research Commission. No amendment shall be in order that is not germane to the matter under consideration; and the President, when the question is raised, shall rule as to the admissibility of the proposed amendment, subject to appeal to the Senate.

Rule 53. **Engrossment of Bills.** Every Senate bill and joint resolution, together with the amendments thereto, which has been passed by the Senate and not subject to further amendment or motion, shall be engrossed by the Clerk and so certified by him, endorsing thereon the day of passage or adoption. The bill shall be delivered to the House in open session by the Clerk or someone designated by him, and House concurrence asked therein. A like procedure shall be observed toward House bills.

When engrossing a bill, the Clerk may incorporate amendments by means of typing only. When an amendment strikes out any part of the original it shall be indicated in the engrossed copy by one parallel line over the part to be stricken out, in such a way as not to render illegible the original words.

Rule 54. **Enrollment of Bills.** All Senate bills and resolutions which have passed both the Senate and the House shall be delivered by the Senate Clerk to the Enrolling Clerk, taking a receipt therefor, in the order in which passed. The Senate Clerk shall keep the number and title of all bills and joint and concurrent resolutions carrying the force and effect of law, passed by the House of Representatives and the Senate in a suitable record book attesting the fact and date of passage.

In the event a bill which originates in the Senate is amended by the House and the Senate concurs in the amendments proposed and adopted by the House, the Clerk of the Senate shall engross said amendments in the original copy of the Senate bill, attesting the same, before delivering the bill to the Enrolling Clerk of the Senate. The Enrolling Clerk shall then cause the original bill as attested by the Chief Clerk and the safety copy of the bill as delivered from the House to conform to each other by typing in indelible typewriter ink or by writing in red ink the amendments engrossed in the original bill in the safety copy. In cases of extreme emergency and during the last three days prior to sine die adjournment, where no correct printed copy is available, the Enrolling Clerk may enroll such bill or resolution by typing the same on safety paper or by enrolling the same in longhand.

The original bill or resolution and a printed copy upon safety paper in the exact form as finally passed shall be certified to by the Enrolling Clerk and delivered to the Committee on Enrollment. The Committee on Enrollment and the Enrolling Clerk shall jointly compare the original bill with the enrolled copy, and if the enrollment is ascertained to be correctly done, the Committee shall report the same to the Senate. If any bill or resolution is found not correctly enrolled, it shall be returned to the Enrolling Clerk to be properly enrolled and delivered to the Committee on Enrollment as is first provided herein.

Rule 55. **Signing of Bills.** The Enrolling Clerk of the Senate shall deliver the original and enrolled copies of Senate bills and resolutions signed by the President to the Chairman of the Enrollment Committee of the House for presentation to the Speaker of the House for his signature. When signed by the Speaker of the House, the enrolled bill or resolution and the original copy thereof shall be returned by the Enrolling Clerk to the Clerk of the Senate who shall present the enrolled bill or resolution to the Governor for his approval and take his receipt for same.

Rule 56. **Resolutions.** Resolutions having the force and effect of law shall be treated and considered as bills in all respect under these rules.

Voting

Rule 57. **Roll Call.** Any Member, with a second, may demand a roll call on any matter pending before the Senate. The names of Senators shall be arranged alphabetically when taking a yea and nay vote.

Rule 58. **Pairing.** All pairs announced in the Senate shall be entered on the Journal.

Rule 59. **Division of the Senate.** If the President be in doubt as to the result of a viva voce, or a division demanded, the Senate shall divide. Those voting in the affirmative shall first rise and be counted, and the President shall announce the number of those so voting. Those voting in the negative shall then rise and be counted and the President shall announce the number so voting. He may appoint tellers to count those voting.

Rule 60. **Adjournment Extended During Roll Call.** When the roll is being called in taking a yea and nay vote, and the hour of an adjournment arrives, the same shall stand extended until after said yea and nay vote has been completed and the result announced.

Privilege of the Floor

Rule 61. **Persons Entitled to the Floor.** No person shall be permitted upon the floor of the Senate when in session except the present members of the General Assembly and all officers and employees of the Senate and members of the immediate family of Senators. Bona fide newspaper correspondents, designated in writing by the daily newspapers or press service they represent, shall be admitted to the floor when recommended by the Committee on Committees and shall be governed by the rules of the Senate and assigned by the Committee on Committees to a press section specifically set aside for them. The Clerk of the Senate shall provide proper identification for families of Senators. The doorkeepers shall not admit such person without proper identification.

Any person may be extended the privilege of the floor by invitation previously extended by a majority vote of members of the Senate, but such privilege shall be extended only for a specified time and purpose. No person who shall have been extended the privilege of the floor for a specified time shall engage in any activities for or against any bill, motion or other proceeding upon the floor of the Senate while in session. No privilege of the floor shall be granted to any registered or unregistered lobbyist or legislative agent if the same be known by the Senate, and it shall be the duty of any Senator having such knowledge to bring it to the attention of the Senate, and lobbying shall be grounds for revocation of this privilege.

A special section of the gallery shall be reserved for the guests of members, who shall be admitted upon presentation of an identification card. Senators may submit the names of guests to the Clerk, who shall read the names to the Senate. Members shall not introduce guests from the floor.

Rule 62. **Lobbying in Senate Chambers.** No person shall engage in lobbying for or against any measure while the Senate is in session, or in recess, in any of the corridors or passages or in any of the rooms in that part of the Capitol assigned to the use of the Senate, and no registered lobbyist shall enter that part of the Capitol while the Senate is in session. This rule shall not be construed to prohibit the use of the corridors or passages in going to and from the Senate galleries by any person.

Rules

Rule 63. **Jefferson's Manual.** In the absence of a specific rule of the Senate, Jefferson's Manual of Parliamentary Practice shall govern the proceedings, except that in all cases where general parliamentary law provides for a rule of two-thirds, it shall mean in this Senate a majority of all the members elected thereto.

Rule 64. **Change of Rules.** The Rules of the Senate, after their adoption, shall not be altered, changed, amended, suspended or interrupted, unless the same be done by a majority of the members elected to the Senate. Whenever a rule is suspended, no measure shall be considered under suspension except the measure or measures in whose favor the suspension was invoked, and only for that day.

Senator Ware, seconded by Senator Overbey, moved the adoption of **SR 1.** Agreed.

SR 2, by Senator Ware:

SR 2, A RESOLUTION providing for a special committee to report on permanent rules.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the committee on committees is authorized and directed to appoint a special committee on rules to study and report on permanent rules for the 1960 Session of the Senate.

Senator Ware moved the adoption of **SR 2.** Agreed.

SR 3, by Senator Ware:

SR 3, A RESOLUTION extending an invitation to the pastors of Frankfort churches to open sessions of the Senate with prayer.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the Sergeant-at-arms be directed to invite the pastors of the various churches to attend the meetings of this Senate and open the sessions thereof with prayer.

Senator Ware moved the adoption of **SR 3.** Agreed.

SR 4, by Senator Ware:

SR 4, A RESOLUTION directing appointment of a committee to notify the House of Representatives of the organization of the Senate and to wait upon the Governor.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the President of the Senate appoint a committee to notify the House of Representatives that the Senate is organized and ready for transaction of business, and that this committee meet with a like committee to be appointed by the Speaker of the House, and that the joint committee notify the Governor of the Commonwealth of Kentucky that the 1960 Regular Session of the General Assembly of the Commonwealth of Kentucky is duly organized and ready to receive any message that he may desire to deliver.

Senator Ware moved the adoption of **SR 4.** Agreed.

The President appointed the following committee pursuant to **SR 4:** Senators Kidwell, Ware, Francis, Durham Howard and Duncan.

The President announced that the Senate would proceed to the House Chamber to hear a message by The Honorable Bert T. Combs, Governor of the Commonwealth of Kentucky.

The Senate proceeded to the House of Representatives, where they entered upon the floor. The Honorable Wilson W. Wyatt, Lieutenant Governor and President of the Senate, assumed the Chair and called the joint session to order.

Representative Ray moved that the roll call be dispensed with. Agreed.

Prayer by the Reverend Fred T. Moffatt, Pastor of the First Baptist Church of Frankfort.

The Committee appointed to wait upon the Governor appeared with His Excellency, the Honorable Bert T. Combs, Governor of the Commonwealth of Kentucky, who addressed the General Assembly as follows:

ADDRESS BY GOVERNOR BERT T. COMBS BEFORE A JOINT SESSION OF THE GENERAL ASSEMBLY OF KENTUCKY, TUESDAY, JANUARY 5, 1959.

Lieutenant Governor Wyatt, Mr. President of the Senate, Mr. Speaker of the House, Members of the General Assembly:

We are meeting here today to begin what in my opinion can become one of the most significant sessions of the General Assembly of Kentucky in history. It is not mere oratory to say that the opportunities that are presented to us are tremendous in scope.

I am confident, too, that we are met here in an atmosphere of mutual trust, candor and confidence. It is my intention now, and will be my intention always while Governor of Kentucky, to be frank with you concerning my plans for legislation and other things. I trust that you will feel sufficient confidence in me and this administration to be equally frank, and to call upon me and members of this administration for any legitimate help that we may render to you.

In keeping with the laws and traditions of our state, I shall present here today my views of legislation necessary and beneficial to the welfare of Kentucky during the coming years. Little of this, I dare say, will be completely new or startling to any of you. Wilson Wyatt and I have repeatedly made clear our views concerning a legislative program. Furthermore, I am pleased to say that this, in my opinion, is an unusually well-informed assembly. I have found in personal conversation with you that you are not only aware of the problems that confront Kentucky but are as determined as I am to do your utmost to solve those problems.

I have declared before, and I promise now, that it is not my intention to attempt in any manner to coerce or use undue pressure in dealing with this Assembly. The Legislature is and must be a co-equal branch of democratic government, and regarded with the dignity and respect befitting such co-equality. This does not mean that I shall ignore or abandon the obligation of the Governor to provide leadership. I assure you that I will make every conscientious effort to provide such desirable leadership, but I shall not endeavor to bully, buy or browbeat any member of this legislative body. Instead, it is my hope and determination that we can, through mutual trust and respect, establish between us an intelligent and efficient cooperation, cooperation that will not only make our duties more pleasant, but will produce results that will redound to the benefit of all Kentuckians and strengthen the fibre of state government.

Because the bonus referendum and the Little RFC Act, so-called, are presently before the court for clarification, I am unable at this time to make final recommendations to you as regards specific appropriations. I hope I will have the privilege later in this session to make other and more specific recommendations to you in regard to these and other matters.

We have much to do between us. The decade that has just closed was a decade of definite and heartening progress for our Commonwealth. It saw the development of our great parks system, the beginning of a great highway program, the improvement of our entire structure of education. Also during the Fifties we achieved much in the fields of agriculture and conservation. Our mental health program is one of the best in the nation. Our laws governing trade and commerce have been improved. We have a splendid state police force. We have extended the protection of the state to thousands of needy and unfortunate persons hitherto uncared for. You have a right, as members of this Assembly, to feel proud of those people.

At the same time it is true that in population growth, in per capita income and in the creation of job opportunities, we are not keeping pace with our sister states. It is my hope and determination that acting together, with the welfare of Kentucky uppermost in our minds, we shall make a bold, progressive beginning on an era of record progress for our state and unprecedented prosperity for its citizens. It has been aptly said that the ten years ahead of us will be the Decisive

Decade. What we do here within the next 60 days, will largely determine how our state shall fare in these years of decision. If we here establish a sound, courageous, forward-looking course of action, we will not only put our state on the path of progress, but make it easier for those who come after us to continue toward the desired goal, and to make the Decisive Decade a landmark in the long history of Kentucky.

As you know, the issue of the veteran's bonus is currently confused because of litigation concerning the validity of the bonus referendum. Until the courts have ruled concerning the validity, I cannot recommend to you specific legislation on that subject. I am convinced, however, that this session of the Assembly has a moral obligation to the people of Kentucky to enact legislation providing for the payment of a veteran's bonus, and to provide necessary taxes to finance such payment. The bonus question has been fairly submitted to the people of Kentucky. They have approved its payment by means of a general tax on retail sales. If the courts uphold the validity of the approving referendum, your task will be considerably simplified. If, on the other hand, the referendum is ruled invalid, it is my recommendation to you that you consider legislation providing for direct payment of the bonus and taxes sufficient to finance such payments.

However the bonus is enacted, it is clear that new taxation will be required for its financing, and I recommend to you the enactment of legislation levying a general tax of three cents on retail sales. After we have had opportunity to observe our revised tax program as it affects the revenues of Kentucky, I hope to be able to recommend favorable readjustments of income taxes to provide for greater equity for Kentucky citizens and for the further creation of a more attractive climate for new business. Simultaneously with my recommendation for these taxes, I state to you that I and every member of my administration are committed to a program of rigid economy and to promise you that every dollar of taxes spent during this administration will buy for Kentucky a full dollar's worth of goods or services.

In the field of education I recommend immediate and substantial increases in teachers salaries. I also recommend the establishment of a central school building authority to assist local school districts in construction of needed facilities.

I further recommend that you approve an appropriation sufficient to establish an adequate agricultural research center at the University of Kentucky.

I strongly recommend that you enact a law providing for the establishment of a permanent, workable merit system of Civil Service for every department of State Government.

I further suggest that you consider amending present laws to make it a severe penalty to coerce, assess or propose political contributions of any state employee. The laws we now have are sufficient in scope but do not contain sufficient enforceable penalties.

I recommend to you a law requiring the installation of voting machines for every precinct in Kentucky. These machines will make it impossible to tamper with ballot boxes, to falsify returns, or to delay unreasonably in the reporting of election results. No law that you enact at this session will do more to insure fair and honest elections.

I suggest that you direct the Legislative Research Commission to report on the deficiencies of our present laws governing purgation and registration, with the view to enactment of legislation at this session correcting the current registration abuses and providing for fair and efficient purgation of all voting lists.

I would recommend that you enact laws to close the glaring loopholes in our absentee voter laws. It should be our aim to assure every Kentuckian the right to cast a legal ballot, and, at the same time, make it impossible for unscrupulous people to misuse absentee ballots, and thus distort the expression of the electorate.

Wilson Wyatt and I have emphasized our determination to urge improvement in Kentucky Statutes governing the relationship between the state and its political subdivisions, so as to effect a greater degree of home rule for Kentucky cities and towns. Substantial improvement in this body of law can be effected by statute. I would recommend to you the amendment of present laws governing that relationship so as to increase the power of cities and towns to govern their own affairs.

You are aware, however, that much of the difficulty in this field of legislation results from restrictions imposed by the State's Constitution, making it necessary to amend the Constitution in several respects in order to achieve the desired relationship.

As you know, I have proposed and the recent Special Session of the General Assembly has approved an act calling for a referendum on the question of a Constitutional Convention to effect a limited revision of the Constitution of the Commonwealth.

I suggest that you also consider this Resolution. I am convinced that such a convention offers the best solution to such complex problems as home rule, judicial reforms, gubernatorial succession, terms and tenure of state officials, selection of officials charged with education and the payment of public officers and employees. I am also convinced as a lawyer and, after consultation with the best lawyers of the Commonwealth that you can have a limited Constitutional Convention.

In keeping with our determination to provide the most efficient government possible, at the least cost, I recommend that you abolish the Court of Claims. I recommend also that you abolish the offices of the Advisory Highway Commission. I am convinced that these offices serve no useful function that cannot be performed with equal efficiency and greater economy through other existing agencies of government.

I have been considering and I ask you to consider the beginning of a program designed to protect those Kentuckians who do not have and who cannot afford proper and adequate medical attention.

Few things have brought more criticism on the General Assembly, the legislative process and the government of Kentucky than instances of conflict of interests. I recommend that you consider seriously laws to prevent such conflict of interests, and provide the sternest penalties for those members of government who use their offices to unscrupulous advantage. This is, I know, a difficult field in which to legislate, and it is not my intention to make it impossible for legislators to engage in normal practice of their profession merely because they serve in the Assembly for two months every two years. I am determined, however, that it shall be made impossible for a member of the Assembly or of the administration to use the influence or authority of his office to gain unfair advantage or gain favor that would not ordinarily be available to him. I also say to you that I think Pat Tanner is just as determined, and you may just as well go ahead and pass his bill.

As Kentucky's major road system now under construction advances toward completion, the volume of heavy truck traffic is certain to increase. It thus becomes necessary for us to restudy our laws governing allowable size and weight of trucks with a view toward possible further revision as the condition of our highways will justify such revision. I would suggest also that you study closely the subject of motor vehicle taxation with a view toward a fair and equitable increase in the structure of taxation levied on trucks. It will be our purpose only to assure that each form of transportation pays its equitable share of our highway costs.

Our efforts to formulate a more efficient and productive system of economic development have been complicated by the fact that the State's so-called Little RFC Act, under which the state may provide assistance to those seeking new industry, is currently being challenged in the courts. In the event it is declared invalid, I would suggest that you consider legislation giving the state similar promotional authority, keeping in mind the provisions of the courts' decision.

If the act is held to be constitutional, I will, at the appropriate time, recommend that you approve an adequate appropriation to accomplish the purpose of the act.

As you know, there are few matters of greater importance to Kentucky than that of economic development. Lieutenant Governor Wyatt has promised to devote a major portion of his time and efforts to this vital task, I am confident that you will assist by enacting legislation when the needs of this undertaking become more clear and specific requests are made to you.

As one step in our efforts to improve the basic economic foundation of our state, I recommend legislation providing for a broadened and improved forestry program, with emphasis on better fire fighting and control facilities, and a large nursery program, with a view to bringing wood-using industries into the state.

I would also recommend to you a study of the possibilities of a broadened soil conservation and small watershed program, considering especially the creation of small lakes throughout the watersheds of Kentucky for purposes of recreation, conservation, new industry and as flood control impoundments.

I recommend that you enact reasonable regulations governing the regulation of mineral production, especially as regards oil and gas, so as to protect the interests of the state, its farmers, and sportsmen, while at the same time giving assistance and encouragement to this great industry.

I recommend that you raise the Division of Parks to departmental status. This will provide needed independence and authority and cabinet status to a department whose functions are becoming increasingly important in the coming years.

With the enactment of the program here recommended, we can, and I think we will, make more adequate provision for higher education, mental health, an improved park system, our transportation facilities, allowances to our senior citizens, medical attention for those unable to pay for it, needy disabled citizens, and dependent children.

To some this will seem an ambitious program, but it seems to me that the time has come when we must be ambitious for Kentucky, its people and its future. This is a program geared to the ambitious possibilities of the Decisive Decade that lies ahead. Perhaps it does not offer a solution to all the complex and difficult problems facing our state, but I believe if wisely enacted into law by this Assembly, it will aid materially in clearing the deficiencies in our laws—in providing for the revitalization of state services to the people—and in reshaping our constitutional obligations to the benefits of ourselves and future generations. It is vital I think that we now make a sound and dynamic start in this new decade. We can not—with jolt wagon methods—keep pace with the discoveries of the hydrogen age. I am confident that what I have presented to you here today will set us on a course of progress in governmental services which the history of Kentucky may judge and approve.

I submit these recommendations to you with full confidence that you will judge and consider them in keeping with your status as able and conscientious members of a great legislative body.

Representative Ray moved that the Joint Session of the House and Senate do now dissolve. Agreed.

The Senate, having reassembled in the Senate Chamber, was called to order by the President.

Motions

Senator McCann moved that the Sergeant-at-Arms be instructed to invite Don Sturgill, Commissioner of Public Safety, to appear before the Senate to explain about TV Permit No. 1. Senator Logan moved to postpone Senator McCann's motion indefinitely, which was seconded by Senator Johnson. Agreed.

Senator Ware moved that the Senate recess for five minutes for a meeting of Committee on Committees. Agreed.

The President resumed the Chair and announced the Committee on Rules as follows: Senator Young, Chairman; Senators, Kidwell, Ware, Durham Howard, Blue, Bassett, and Francis.

Introduction of Bills and Resolutions

SR 5, by Senator Young: A JOINT RESOLUTION honoring the memory of Augustus Owsley Stanley.

SB 1, by Senator Duffy: AN ACT relating to county health boards and amending KRS 212.020.

SB 2, by Senator Duffy: AN ACT relating to the State Board of Health, and amending KRS 211.040.

SB 3, by Senator Miller: AN ACT relating to corporation taxation.

SB 4, by Senator Garnett: AN ACT relating to the population required for incorporation of a city within a given area.

SB 5, by Senator Blake: AN ACT relating to taxation.

SR 6, by Senator McCann: A SENATE RESOLUTION petitioning the Governor to retain the principal offices of the State Department of Health in Louisville, Jefferson County, Kentucky.

SB 6, by Senator Logan and Senator Bishop: AN ACT relating to primary elections.

Senator Ware moved that the Senate adjourn until January 6, at 9 A.M. Agreed.

WEDNESDAY, JANUARY 6, 1960

SECOND LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Carter Roberts of the Church of the Nazarene of Frankfort.

The roll was called. All present except Senators Bonn and Hubbard, who were granted leave of absence on motion of Senator McCann.

The Reading of the Journal for January 5 dispensed with and the same approved on motion of Senator McCann.

Communications

The Clerk read the following communications from Governor Bert T. Combs.

January 5, 1960

The Honorable Wilson W. Wyatt
Lieutenant Governor
Commonwealth of Kentucky
State Capitol
Frankfort, Kentucky

Dear Governor Wyatt:

The Honorable Leo King resigned as a member of the Public Service Commission effective December 19, 1959. This is your notification that I have appointed, as of December 19, 1959, as a member of the Public Service Commission, The Honorable Woodrow W. Burchett, Prestonsburg, Kentucky.

Inasmuch as KRS 278.050 provides that appointments by the Governor to the Public Service Commission shall be made with the advice and consent of the Senate, I request that you submit the name of Mr. Burchett to the Senate and request the concurrence of that body in the appointment which I have made.

Cordially,
BERT COMBS
Governor

January 5, 1960

The Honorable Wilson W. Wyatt
Lieutenant Governor
Commonwealth of Kentucky
State Capitol
Frankfort, Kentucky

Dear Governor Wyatt:

The Honorable James F. Gordon resigned as Chairman of the Public Service Commission effective December 12, 1959. This is your notification that I have appointed, as of December 12, 1959, as a member of the Public Service Commission, The Honorable J. David Francis, Bowling Green, Kentucky, and I have designated him to act as Chairman of the Commission.

Inasmuch as KRS 278.050 provides that appointments by the Governor to the Public Service Commission shall be made with the advice and consent of the Senate, I request that you submit the name of Mr. Francis to the Senate and request the concurrence of that body in the appointment which I have made.

Cordially,
BERT COMBS
Governor

Senator Ware moved the Senate to concur in the appointments of Woodrow W. Burchett and J. David Francis. Agreed.

Introduction of Bills and Resolutions

SB 7, by Senator McCann: AN ACT relating to the meetings and records of governmental agencies.

SB 8, by Senator Duffy: AN ACT relating to crimes and punishment.

SB 9, by Senator C. S. Howard: AN ACT relating to grand jurors and petit jurors.

SB 10, by Senator C. S. Howard: AN ACT relating to the conduct of regular elections.

SB 11, by Senator Johnson: AN ACT relating to the payment of a cash bonus to veterans of military service.

SR 7, by Senator Logan: A JOINT RESOLUTION commemorating the life and accomplishments of Dr. Ephraim McDowell.

Committee Reports

Committee on Rules reported the following Rules of the Senate with the expression of opinion that the same should be adopted:

A RESOLUTION adopting permanent rules to govern the 1960 regular session of the Senate.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the following rules are adopted as the permanent rules to govern the Senate during the 1960 session of the General Assembly, superseding the rules under which the Senate has operated.

RULES OF THE
SENATE
1960 REGULAR SESSION

SESSIONS OF THE SENATE

Rule 1. **Hours of Meeting.** The Senate shall meet at 12:00 noon, Central Standard Time, except on Monday, when it shall meet at 7:00 p.m., Central Standard Time. The official time shall be governed by the clock over the main entrance to the Senate Chamber.

Rule 2. **Quorum.** A majority of the Senators elected to the Senate shall constitute a quorum. If a quorum is not present at the time fixed for a meeting of the Senate, four Senators may adjourn or recess from day to day or from time to time and eight Senators may order a call of the Senate and send for absent Senators.

Rule 3. **Call of the Senate.** Upon a call of the Senate the Clerk shall call the roll, then call the absentees again. The doors of the Senate Chamber shall then be closed and the absentees not excused by the Senate may be sent for and arrested by the Sergeant-at-Arms. The Senate shall determine upon what conditions they shall be discharged from arrest. Senators who voluntarily appear shall be immediately admitted to the floor of the Senate and their names entered upon the Journal as present, unless the Senate otherwise directs.

ORDER OF BUSINESS

Rule 4. **Order of Business.** The order of business shall be as follows:

1. Invocation.
2. Roll Call.
3. Reading and Approval of the Journal.
4. Motions, Petitions and Communications.
5. Reading of New Bills and Resolutions Introduced by Title and Sponsor.
6. Report of Committees.
7. First Reading of Bills.
8. Second Reading of Bills.
9. Orders of the Day.
10. Announcements.
11. Reference of Bills to Committees.

No more than thirty minutes shall be allotted to Motions, Petitions and Communications.

Rule 5. **Unfinished Business.** Unfinished business which was being considered upon adjournment shall have precedence in the class of business to which it properly belongs upon the next succeeding legislative day.

MOTIONS

Rule 6. **Reading of Motions.** When a motion has been made and seconded, it shall be stated by the chair, or, being in written form, it shall be read by the Clerk before debate, amendment or motion concerning it shall be in order.

Rule 7. **Withdrawal of Motions.** Every oral motion after it has been stated by the President, and every written motion, bill, resolution or other paper, after it has been read by the Clerk, shall be the property and in possession of the Senate, and shall not be withdrawn without consent of the Senate. Every written motion, report or measure may be committed or recommitted at the pleasure of the Senate.

Rule 8. **Order of Questions.** All questions, whether in Committee of the Whole or in the Senate, when not a privileged question, shall be propounded in the order in which they were moved, except that in filling blanks the smallest sum and the most remote date shall be put first.

Rule 9. **Precedence of Motions.** When a question is under consideration, no motion shall be in order except:

1. To fix the time to which the Senate shall adjourn.
2. To adjourn.
3. To take recess.
4. To lay on the table.
5. For the previous question.
6. To postpone to a fixed time.
7. To commit.
8. To amend.
9. To postpone indefinitely.

The above several motions shall have precedence in the order in which they are arranged and the first five of them shall not be debatable.

A second motion to adjourn, to take a recess, to lay on the table, for the previous question, to postpone to a time certain, to commit or to postpone indefinitely shall not be in order on the same day, upon the same question, and at the same status unless other business intervenes; provided, however, that amendments may be made to the time to which it is proposed to adjourn, to take a recess or to postpone.

Rule 10. **Motion to Strike Out Enacting Clause.** A motion to amend by striking out the enacting words of a bill or resolution shall have precedence over a motion to amend; and, if adopted, shall have the same effect as though the bill or resolution were regularly voted upon and rejected.

Rule 11. **Motion to Adjourn.** A motion to adjourn, to take a recess, or a motion to adjourn to a time certain, shall always be in order, except when a Senator is speaking, while a vote is being taken or when the Committee on Committees is reporting; subject, however, to the limitations set out in Rule 9.

Rule 12. **Previous Question.** When the previous question has been ordered, a vote shall be taken immediately upon the pending measure and such pending amendments as are in order. The effect of the previous question shall be to put an end to all debate; to prevent the offering of additional amendments and to bring the Senate to an immediate vote upon the measure and amendments aforesaid. The previous question may be ordered by a majority of the Senators elected. On the call of the roll, no Senator shall be allowed to speak more than three minutes to explain his vote and shall not speak at all if the question is not a debatable question. After the previous question has been ordered, and before the vote upon the main question, the opponents of the measure shall have ten minutes, and proponents of the measure shall have ten minutes.

Rule 13. **Motion to Separate Part of a Measure.** A motion to commit, recommit, or postpone a part of a measure so as to separate that part of the measure from the remainder shall not be in order.

Rule 14. **Motion to Reconsider.** A motion to reconsider a vote shall not be in order unless made by a Senator who voted upon the prevailing side of the question; nor shall such motion be in order unless made within two legislative days in which the Senate is in session next after the day the vote was taken; however, the motion to reconsider when coupled with the additional motion to lay that motion upon the table may be made by any Senator.

Rule 15. **Postponement of Measures.** When a measure shall have been postponed indefinitely it shall not be in order again during the session.

Rule 16. **Reading of Pending Papers.** Any pending bill, resolution, motion or report shall be read by the Clerk upon the demand of any Senator, but it shall not again be read on the same day unless so ordered by the Senate.

Rule 17. **Nominations.** In all elections a previous nomination shall be made.

Members

Rule 18. **Attendance of Members.** No Senator shall absent himself from a session of the Senate without leave from the Senate.

Rule 19. **Docorum of Members.** No Senator shall designate another Senator by name.

Rule 20. **Call to Order.** If any Senator, in speech or otherwise, transgress the rules of order or decorum, he shall immediately be called to order by the chair and shall take his seat. The Clerk shall reduce the objectionable words to writing and read them to the Senate. After hearing a short explanation from the Senator called to order, or upon the withdrawal of the objectionable language, the President may permit the Senator to proceed, or may compel silence upon him until the matter is disposed of. The ruling of the chair shall be subject to an appeal to the Senate. A Senator offending the Senate shall be liable to censure.

Rule 21. **Debate.** No Senator may speak more than once to the same subject until all Senators desiring to be heard have spoken, but nothing in this rule shall do away with the previous question if then in effect, nor permit debate on an undebatable motion.

No Senator shall speak more than thirty minutes in the aggregate on any question or measure, at the end of which period, or any portion thereof, the floor shall be returned to the President.

Rule 22. **Members Shall Vote at Seats.** A Senator shall vote only when at his seat or visibly approaching it.

Officers and Employees

Rule 23. **Duties of President.** The President shall take the chair every day precisely at the hour fixed for the meeting of the Senate and, on the appearance of a quorum, shall cause the Journal of the preceding day to be read, unless the reading of the same is dispensed with by the Senate.

The President shall preserve decorum and order and, in the event of any disorder in the gallery or in the Senate Chamber, may cause the same to be cleared of any persons creating disturbances or disorders.

All writs, warrants, subpoenas, or other processes shall be signed by the officer who may be presiding over the Senate when the paper is issued; and his signature shall be attested by the Clerk, when ordered by a majority of the Senators.

Rule 24. **Appeal from Decision of Chair.** The President while presiding may speak to points of order in preference to Senators. He shall decide points of order and manner of procedure. If two or more Senators arise from their respective seats and address the chair, the President shall determine who was first and recognize him. Any decision made by the President shall be subject to appeal to the Senate. Every such appeal shall be in writing and signed by at least two Senators. During the pendency of any appeal to the Senate from a decision of the chair, the President shall vacate the chair and call the President Pro Tem to preside.

Rule 25. **President Pro Tempore.** If the President be called upon to administer the government or resign, die or be absent from the State, the President Pro Tem of the Senate shall have the rights and perform all the duties pertaining to the office of the President of the Senate. The President Pro Tem shall preside over the Senate in the absence of the President of the Senate. The President Pro Tem may designate any Senator to preside in the absence of both the President and President Pro Tem and to perform all duties of the President Pro Tem including duties as a member of the Committee on Committees. Such designation by the President Pro Tem may be made from time to time or for such duration of time as the President Pro Tem may designate and each such designation shall be in writing filed with the Clerk of the Senate.

Rule 26. **Duties of Clerk.** The Clerk shall have charge and supervision of all the clerical business of the Senate. He shall have charge of the Clerk's section of the Senate Chamber and shall see that no one is permitted therein except himself and those assisting him. Half an hour before the time fixed for the meeting of the Senate each day, the Clerk or one of his assistants shall be present at the Clerk's desk with the minutes of the preceding session for the inspection of any Member of the Senate.

The Clerk shall read to the Senate papers ordered to be read; call the roll and note and report the absentees when a call of the Senate is ordered; call the roll and note the answers of members when a question is taken by yeas and nays; assist the President in taking the count when any vote of the Senate is taken; notify committees of their appointment and business referred to them; attest all writs, warrants and subpoenas issued by order of the Senate; keep a calendar showing such bills as are entitled to their second reading each day, distinguishing between House and Senate bills; superintend the engrossing and enrolling of bills; certify to the passage of all bills and to the adoption of all joint and concurrent resolutions by the General Assembly; and make all reports to the House, unless otherwise ordered.

Rule 27. **Journal of Proceedings.** The Clerk shall cause to be kept the Journal of the proceedings of the Senate. The Clerk shall note upon the Journal all questions of order, together with the disposition of same, and the dates upon which all bills and resolutions were sent to committee and returned to the Senate. The Senate may correct errors in the Journal the day the Journal containing errors is presented to the Senate. No record which is in the hands of the Clerk and is required by law to be entered upon the Journal of the Senate shall be copied by any person until same shall have been entered upon the Journal and said Journal shall have been approved.

The Clerk shall transmit the Journal for each day as soon as it has been approved by the Senate to the Legislative Research Commission, which shall deliver it to the public printer. The Commission staff shall proofread and index the Journal upon return from the printer and make necessary typographical corrections.

Rule 28. **Custody of Papers.** The Clerk shall have custody of all records, papers and bills of the Senate and shall not allow them to be taken out of his possession without the leave of the Senate, unless to be delivered to the chairman of a committee to which they have been referred or to the public printer, and then he shall take a proper receipt therefor. He shall endorse on bills and papers brief notes of proceedings had thereon by the Senate and preserve the same in convenient files for reference.

Rule 29. **Accounts of Expenditures.** The Legislative Research Commission shall keep the accounts for pay and mileage of members, officers and attaches, and for printing and other contingent expenses of the House and Senate.

Rule 30. **Printing of Senate Papers.** The Clerk shall have supervision and charge of all printing done for the Senate and the public printer shall print only such documents and other matter as the Clerk authorizes. He shall report to the President, to be submitted to the Senate, every failure of the printer to execute work correctly and promptly.

Rule 31. **Duties of the Sergeant-at-Arms.** It shall be the duty of the Sergeant-at-Arms and Doorkeeper to exclude or remove all persons not entitled to the floor of the Senate. Fifteen minutes before convening of the Senate each day the Sergeant-at-Arms shall announce in a loud distinct voice: "All persons not entitled to the floor of the Senate under the rules thereof will now vacate the Senate Chamber." He shall then compel all persons who are not entitled to remain therein to leave the Senate Chamber and shall prohibit their entry until thirty minutes after the Senate has adjourned.

The Sergeant-at-Arms of the Senate, before any joint session is to be held, shall request the Sergeant-at-Arms of the House to arrange for the seating of the Members of the Senate in a body. The Senators will assemble in the Senate Chamber five minutes before the meeting of any joint session and go to the House in a body.

Rule 32. **Conduct of Employees.** All the constitutional employees of the Senate shall, one hour before the meeting of the Senate each day, report to the Clerk, who shall report to the Committee on Committees whether or not all of said employees are on duty. The Committee on Committees, whenever it deems it necessary, shall report to the Senate any dereliction of duty.

All other professional, clerical and other employees required by the Senate or any of its committees shall, as authorized by the Committee on Committees, be provided by the Legislative Research Commission and shall be under the general supervision of the Committee on Committees and the immediate supervision of the Director of the Commission. The Director of the Commission shall report any dereliction of duty by employees to the Committee on Committees of the Senate; and the Committee on Committees, whenever it deems it necessary, shall report to the Senate any dereliction of duty.

No officer or employee of the Senate shall receive any fee, tip or compensation from any Senator and violation of this rule shall be ground for dismissal.

Rule. 33. **Committee on Committees.** There shall be a Committee on Committees composed of the President of the Senate, the President Pro Tem, the Majority Floor Leader and the Minority Floor Leader of the Senate and the Majority Caucus Chairman. The majority of said committee shall have full power to act on all matters referred to said committee either by these rules or by action of the Senate.

The President of the Senate shall be Chairman of the Committee on Committees, and in his absence the President Pro Tem shall serve as Chairman.

All Bills and resolutions, either joint or concurrent, shall, upon their introduction, be automatically referred to the Committee on Committees which shall refer same to the proper committee not later than the second day in which the Senate is in session after the date of introduction.

The Committee on Committees shall have supervision and control over all employees of the Senate, whether elected by the Senate or appointed by the Committee on Committees or otherwise, and the Committee on Committees shall see that they perform all of their duties to the Senate and the members thereof. The Committee on Committees is empowered to discharge any or all of said employees and officers except the constitutional officers of the Senate. The Committee on Committees shall appoint the members of all other standing and special committees and shall fill any vacancies thereon.

Rule 34. **Standing Committees.** The following shall be the standing committees of the Senate:

Committee on Committees
Administrative Agencies
Agriculture and State Fair
Appropriations
Atomic Energy
Aviation
Banks and Banking

Charitable, Penal and Reformatory Institutions
Child Welfare and Social Work
Classification of Towns and Cities
Compensation for Industrial Injuries
Constitutional Amendments
Courts and Legal Procedure
Criminal Law
Education
Election and Redistricting
Enrollment
Executive and Legislative Affairs
Fish and Game
Forestry, State and National Parks
Higher Education
Insurance
Judiciary and Judicial Council
Kentucky Statutes No. 1
Kentucky Statutes No. 2
Labor and Manufacturing
Library and Historical Records
Mines and Mining
Motor Vehicles, Commerce and Common Carriers
Municipalities
National and Civil Defense
Public Health
Public Utilities
Regulation of Intoxicating Liquors
Revenue and Taxation
Rural Roads and Highways
Veterans' Legislation and Military Affairs
Ways and Means

Rule 35. **Rules Committee.** No bill shall be considered by the Senate during the last fifteen legislative days of the session of the Senate or during any special session except upon the recommendation or report of the Rules Committee previously obtained. The Rules Committee shall determine the order in which bills shall be taken up and considered during the last fifteen legislative days.

If and when the time be fixed for the sine die adjournment of the session of the General Assembly, the last fifteen legislative days shall be held and construed to mean the last fifteen legislative days next prior to the time so fixed. If the resolution be adopted for sine die adjournment within fifteen days of the time fixed for such adjournment, then the Rules Committee shall take charge for such lesser number of days as may remain from the time such resolution for sine die adjournment is adopted and the time fixed for such adjournment.

The Majority Floor Leader of the Senate shall act as chairman of the Rules Committee. The Majority Floor Leader of the Senate shall act for the Rules Committee in calling from committee any bills or resolutions and shall be recognized by the President for said purpose during all times that the Rules Committee is in charge. The President Pro Tem shall act as chairman in the absence of the Majority Floor Leader.

Rule 36. **Committee on Conference.** When a Senate bill has been amended in the House and the Senate refuses to concur in said amendment, or when a House bill has been amended in the Senate and the House refuses to concur in said amendment, and when neither will recede from such action, the Committee on Committees shall appoint a Committee on Conference to meet a like committee from the House. The Committee on Conference shall confer with the House Committee and report back to the Senate within a reasonable time, in the same manner as reports are made for Senate bills. The conference report shall be voted upon, and if adopted the bill shall immediately be put upon its final passage.

Rule 37. **Appointment of Committees.** The Committee on Committees shall appoint the members of all standing and special committees and shall fill any vacancies thereon. The Committee on Committees shall select members distributed as equally as possible from among Congressional districts, and in proportion to the representation of each political party in the Senate.

Rule 38. **Meetings of Committees.** No committee except the Committee on Committees, the Committee on Enrollment, and a Committee on Conference between the House and Senate shall sit while the Senate is in session, unless by consent of the Senate. The Committee on Committees and Committee on Enrollment may report at any time except during a roll call or while a vote is being taken.

The Committee on Committees, in conference with committee chairmen, shall schedule a definite time and place for the meetings of each committee, such schedule to be posted in the Senate Chamber and published in the **Legislative Record.** A committee shall meet at the scheduled time and place so long as business is pending before the committee.

The Chairman shall keep a record of the attendance of members at meetings, which record shall be filed with the Clerk.

The Director of the Legislative Research Commission, under the direction of the Committee on Committees, shall assign a secretary to each committee and provide any professional, clerical or other employees required by any committee.

Rule 39. **Committee Reports.** Every committee should report the disposition of every bill and resolution referred to it as promptly as possible. Upon the call of standing committees, the Clerk or the Chairman or ranking member of the committee may report the bill in the following manner:

"With the expression of opinion that the same should pass," or,

"With the expression of opinion that the same should pass, with the committee amendment attached thereto," or,

"With the expression of opinion that the same should pass, with the committee substitute attached thereto," or,

"With the expression of opinion that the same should not pass," or,

"Without expression of opinion."

Rule 40. **Majority and Minority Reports.** It shall require a majority of the committee membership to report a bill favorably. The chairman shall keep a record of the vote of each member on the disposition of each bill, and shall report the total vote on each side to the Senate. The chairman may sign reports on behalf of a majority of the committee members and his signature shall attest to the action of a majority but shall not be construed as his personal approval or disapproval of the bill.

A committee report may be accompanied by a minority report, signed by those members who have dissented from the committee's report, and it shall be in order to move the adoption of the minority report as a substitute for the committee's report when the committee offers its report. It shall require a majority of the members elected to adopt the minority report. The committee's report shall always be read before the minority report is read.

Rule 41. **Failure to Report.** Whenever a committee fails or refuses to report within a reasonable time a bill submitted to it, the same may be called up by any Senator and considered as if it had been regularly reported if a majority of Members elected to the Senate concur therein.

Rule 42. **Procedure in Committee.** The rules of procedure in the Senate shall be observed in committee in so far as the same are applicable.

Bills and Resolutions

Rule 43. **Form of Bills.** All bills shall be typewritten, with one original and four distinctly legible copies. The original shall be the official bill, and shall be retained by the Clerk for the use of the Senate and House. The second copy shall be used for committees. The third copy shall be for the use of the press and shall be given to a person designated by the press club. The fourth copy shall be provided to the Legislative Research Commission; and the fifth to the bill drafting section of the Commission. All copies shall be backed with a protective cover as provided for this purpose by the Legislative Research Commission. The title of the bill, or a portion thereof, and the signature of the Senator introducing the bill shall be placed on the cover.

Rule 44. **Introduction of Bills.** Bills and resolutions may be introduced from the floor in the regular Order of Business or by filing them with the Clerk at any time that his office is open and before the Senate adjourns for the day. The Clerk shall number bills in the order received, record their introduction, and transmit a copy immediately to the Committee on Committees for reference to committee.

Rule 45. **Reference of Bills.** The Committee on Committees shall refer all bills to the proper standing committee not later than the second day in which the Senate is in session after the date of introduction. When a Senate bill has been amended in the House and has been returned to the Senate for concurrence in the amendment, it may be referred to a committee in the same manner as original bills are referred. Bills originating in and passed by the House when reported to the Senate shall be referred to the Committee on Committees and shall take the same course as other bills.

Rule 46. **Printing of Bills.** The Legislative Research Commission shall examine the form of all bills to ensure that they are free from errors of form or typography. If a formal change is necessary, the Commission shall request the sponsor of the bill to sign a form approving the specified changes. If a bill is found to be correct, or corrections have been approved, the Commission shall authorize its printing.

The Legislative Research Commission shall have printed two hundred copies of each bill or resolution carrying the force and effect of law introduced in the Senate and of each bill or resolution carrying the force and effect of law acted on by the House and reported to the Senate. Bills shall be printed in the order in which they are certified by committee and distributed to Members immediately upon receipt from the printer. No bill shall be copied or distributed by any person until the same shall have been printed and returned with the printed copies thereof to the Clerk.

Rule 47. **Readings of Bills.** If a bill be reported with the expression of opinion that it should pass, or without expression of opinion, a vote may then be taken on whether it shall be read at length and be placed on the Calendar, if a majority of the Members elected to the Senate shall concur therein. When reported favorably by the committee, the bill shall then be given its first reading at length and shall be placed by the clerk upon the Calendar to be kept by him, and shall then be entitled to its second reading the next succeeding legislative day.

Every bill shall be read at length on three different legislative days; but the second and third readings thereof at length may be dispensed with by a majority of all the members elected to the Senate and the bill read by its title.

Rule 48. **Calendar.** The Clerk shall keep a Calendar for each legislative day of the session showing the bills entitled to a second reading upon that day and shall post conspicuously the number of all bills recommended for said Calendar by the Rules Committee.

Rule 49. **Orders of the Day.** When a bill has had its second reading it shall be placed in the Orders of the Day, or be recommitted, and when next reached in the Senate it shall be ready for recommitment, or to be read a third time and placed upon its passage, and the President shall so announce to the Senate.

A bill may be recommitted or amended at any time before its passage. Bills shall be placed in the Orders of the Day in the order in which they have been given their second reading, and shall be taken therefrom in that order, unless otherwise ordered by a majority of Senators elected. When a Senate bill is in the Orders of the Day, it shall be in order on motion of the author to substitute an identical House bill which is in the Orders of the Day of the Senate.

Rule 50. **Final Passage.** When a Senate bill has been amended in the House and the Senate has concurred in the amendment, the bill as amended shall immediately be placed upon its passage.

Rule 51. **Amendments to Bills.** All amendments offered shall be on sheets with a proper heading printed in black, furnished by the Clerk, and shall bear the signature of the Senators offering the same. All amendments shall give the proper page and line of the printed bill. Two copies of each amendment shall be introduced and the Clerk shall forward one copy to the Legislative Research Commission. No amendment shall be in order that is not germane to the matter under consideration; and the President, when the question is raised, shall rule as to the admissibility of the proposed amendment, subject to appeal to the Senate.

Rule 52. **Engrossment of Bills.** Every Senate bill and joint resolution, together with the amendments thereto, which has been passed by the Senate and not subject to further amendment or motion, shall be engrossed by the Clerk and so certified by him, endorsing thereon the day of passage or adoption. The bill shall be delivered to the House in open session by the Clerk or someone designated by him, and House concurrence asked therein. A like procedure shall be observed toward House bills.

When engrossing a bill, the Clerk may incorporate amendments by means of typing only. When an amendment strikes out any part of the original it shall be indicated in the engrossed copy by one parallel line over the part to be stricken out, in such a way as not to render illegible the original words.

Rule 53. **Enrollment of Bills.** All Senate bills and resolutions which have passed both the Senate and the House shall be delivered by the Senate Clerk to the Enrolling Clerk, taking a receipt therefor, in the order in which passed. The Senate Clerk shall keep the number and title of all bills and joint and concurrent resolutions carrying the force and effect of law, passed by the House of Representatives and the Senate in a suitable record book attesting the fact and date of passage.

In the event a bill which originates in the Senate is amended by the House and the Senate concurs in the amendments proposed and adopted by the House, the Clerk of the Senate shall engross said amendments in the original copy of the Senate bill, attesting the same, before delivering the bill to the Enrolling Clerk of the Senate. The Enrolling Clerk shall then cause the original bill as attested by the Chief Clerk and the safety copy of the bill as delivered from the House to conform to each other by typing in indelible typewriter ink or by writing in red ink the amendments engrossed in the original bill in the safety copy. In cases of extreme emergency and during the last three days prior to sine die adjournment, where no correct printed copy is available, the Enrolling Clerk may enroll such bill or resolution by typing the same on safety paper or by enrolling the same in long-hand.

The original bill or resolution and a printed copy upon safety paper in the exact form as finally passed shall be certified to by the Enrolling Clerk and delivered to the Committee on Enrollment. The Committee on Enrollment and the Enrolling Clerk shall jointly compare the original bill with the enrolled copy, and if the enrollment is ascertained to be correctly done, the Committee shall report the same to the Senate. If any bill or resolution is found not correctly enrolled, it shall be returned to the Enrolling Clerk to be properly enrolled and delivered to the Committee on Enrollment as is first provided herein.

Rule 54. **Signing of Bills.** The Enrolling Clerk of the Senate shall deliver the original and enrolled copies of Senate bills and resolutions signed by the President to the Chairman of the Enrollment Committee of the House for presentation to the Speaker of the House for his signature. When signed by the Speaker of the House, the enrolled bill or resolution and the original copy thereof shall be returned by the Enrolling Clerk to the Clerk of the Senate who shall present the enrolled bill or resolution to the Governor for his approval and take his receipt for same.

Rule 55. **Resolutions.** Resolutions having the force and effect of law shall be treated and considered as bills in all respect under these rules.

Voting

Rule 56. **Roll Call.** Any Member, with a second, may demand a roll call on any matter pending before the Senate. The names of Senators shall be arranged alphabetically when taking a yea and nay vote.

Rule 57. **Pairing.** All pairs announced in the Senate shall be entered on the Journal.

Rule 58. **Division of the Senate.** If the President be in doubt as to the result of a viva voce, or a division demanded, the Senate shall divide. Those voting in the affirmative shall first rise and be counted, and the President shall announce the number of those so voting. Those voting in the negative shall then rise and be counted and the President shall announce the number so voting. He may appoint tellers to count those voting.

Rule 59. **Adjournment Extending During Roll Call.** When the roll is being called in taking a yea and nay vote, and the hour of an adjournment arrives, the same shall stand extended until after said yea and nay vote has been completed and the result announced.

Privilege of the Floor

Rule 60. **Persons Entitled to the Floor.** No person shall be permitted upon the floor of the Senate when in session except the present members of the General Assembly and all officers and employees of the Senate and members of the immediate family of Senators. Bona fide newspaper correspondents, designated in writing by the daily newspapers or press service they represent, shall be admitted to the floor when recommended by the Committee on Committees and shall be governed by the rules of the Senate and assigned by the Committee on Committees to a press section specifically set aside for them. The Clerk of the Senate shall provide proper identification for families of Senators. The doorkeepers shall not admit such person without proper identification.

Any person may be extended the privilege of the floor by invitation previously extended by a majority vote of members of the Senate, but such privilege shall be extended only for a specified time and purpose. No person who shall have been extended the privilege of the floor for a specified time shall engage in any activities for or against any bill, motion or other proceeding upon the floor of the Senate while in session. No privilege of the floor shall be granted to any registered or unregistered lobbyist or legislative agent if the same be known by the Senate, and it shall be the duty of any Senator having such knowledge to bring it to the attention of the Senate, and lobbying shall be grounds for revocation of this privilege.

A special section of the gallery shall be reserved for the guests of members, who shall be admitted upon presentation of an identification card. Senators may submit the names of guests to the Clerk, who shall read the names to the Senate.

Rule 61. **Lobbying in Senate Chambers.** No person shall engage in lobbying for or against any measure while the Senate is in session, or in recess, in any of the corridors or passages or in any of the rooms in that part of the Capitol assigned to the use of the Senate, and no registered lobbyist shall enter that part of the Capitol while the Senate is in session. This rule shall not be construed to prohibit the use of the corridors or passages in going to and from the Senate galleries by any person.

Rules

Rule 62. **Jefferson's Manual.** In the absence of a specific rule of the Senate, Jefferson's Manual of Parliamentary Practice shall govern the proceedings, except that in all cases where general parliamentary law provides for a rule of two-thirds, it shall mean in this Senate a majority of all the members elected thereto.

Rule 63. **Change of Rules.** The Rules of the Senate, after their adoption, shall not be altered, changed, amended, suspended or interrupted, unless the same be done by a majority of the members elected to the Senate. Whenever a rule is suspended, no measure shall be considered under suspension except the measure or measures in whose favor the suspension was invoked, and only for that day.

Senator Kidwell moved that the committee report be adopted. Agreed.

The Committee on Committees reported **SR 5** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SR 5, A JOINT RESOLUTION honoring the memory of Augustus Owsley Stanley.

WHEREAS, Augustus Owsley Stanley, one of Kentucky's most illustrous sons, has heeded the call of his Creator ending a life of faithful service which reflected the highest honor upon him and contributed incalculably to the progress of this great state and indeed this nation, and;

WHEREAS, the accomplishments of this Statesman and incomparable orator were such that it is deemed fitting and proper that his memory be perpetuated by inscripton of his biography upon the journals of the Senate and the House of Representatives as follows:

Augustus Owsley Stanley, six times representative in Congress from the old Second District, Governor of Kentucky, United States Senator, member and for many years Chairman of the International Joint Commission, was born in Shelbyville May 21, 1867, a son of the Rev. William and Amanda (Owsley) Stanley. His father was captain of a company in the "Orphan Brigade" and also a Judge Advocate General in the Confederate Army, later becoming a minister of the Christian Church. After attending private schools, Augustus Owsley Stanley entered Alleghany Academy at Nicholasville, Kentucky, continued his studies at the University of Kentucky (then State College) from 1886 to 1888, and was graduated with the degree of Bachelor of Arts from Centre College at Danville in 1889. The degree of Doctor of Laws was conferred upon him. He was a member of Omicron Delta Kappa Honorary Fraternity and Sigma Alpha Epsilon Social Fraternity.

Upon completion of his studies at Centre College he entered upon a career of school teaching, including two years at the old Mackville Academy, studying law at night, to the practice of which he was admitted in 1894. He followed his profession in Flemingsburg until 1898, when he moved to Henderson, Kentucky, where he continued his practice until 1924.

He entered the political arena by being selected a Democratic Presidential Elector from the Second Congressional district in 1900. He was elected to the fifty-eighth Congress in 1902 and served twelve consecutive years. During his Congressional service he won nation wide attention by his vigorous endeavors on behalf of the tobacco growers of Kentucky, was sponsor of the legislation which brought about the regulation of the giant Tobacco Trust.

His stature locally and nationally was enhanced by his selection for the Chairmanship of the Congressional committee investigating the monopolistic practices of the United States Steel Company in its acquisition of large deposits of iron ore in the northern states.

On April 29, 1903, Congressman Stanley married Miss Susan Soaper of Henderson, and to this union there were three sons born—Augustus Owsley Stanley, Jr., William Soaper Stanley and Marion Shelby Stanley, who, while a student at the University of Kentucky lost his life in an airplane accident.

In 1915 following nomination by the Democratic party he was elected Governor of Kentucky and served in that office until May 18, 1919 at which time he resigned to enter the United States Senate, having been elected in 1918. His service in that august body which terminated on March 3, 1925, was marked by the same courage, honesty and dedication of purpose which was characteristic of his service as a Congressman and as Governor of the Commonwealth. Upon leaving the Senate he entered the practice of law in Washington, the Capital of our nation, in association with Joseph P. Tumulty, former secretary to President Woodrow Wilson. In May, 1930, he was appointed a member of the International Joint Commission, and became Chairman of that body on March 7, 1933 in which position he served until 1954.

He was a member of the Christian Church, the Benevolent and Protective Order of Elks and of the Pendennis Club.

Augustus Owsley Stanley was a dedicated, unrelenting, non-deviating and most articulate champion of Democracy having upon at least one occasion given voice to his philosophy in these terms:

"Democracy with me is more than a conviction—it is an abiding faith and now I reverently dedicate 'the bitter little that of life remains' to the service and success of Democracy. And when the tale is told and the journey ended I shall not have repaid the debt to the people I devoutly love and to the cause I shall maintain until my arms are palsied and my tongue is stilled in death."

Truly it can be said of Augustus Owsley Stanley that he was one of the

"Tall men, sun crowned, who live above the fog,

In public duty, and private thinking. ,

And one of those

"Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy'
Men who possess opinions, and a will'
Men who have honor, who will not lie."

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the Senate and the House of Representatives do this day adjourn they do so in memory of Augustus Owsley Stanley.

Section 2. That the General Assembly does hereby extend to the family of Augustus Owsley Stanley its profound and deepest sympathy and does commend the members thereof to Almighty God who is forever near to those who trust him for solace.

Section 3. That the Clerk of the Senate cause copies of this Resolution to be transmitted to each of the members of the Congress representing the Commonwealth of Kentucky with the request that a copy thereof be spread upon the record of proceedings of the Senate and the House of Representatives and made a part of the Congressional Record.

Section 4. That a copy of the Journals of the Senate and the House of Representatives wherein this resolution is recorded be presented to Mrs. Susan Soaper Stanley, Mr. Augustus Owsley Stanley, Jr., and to Mr. William Soaper Stanley.

House Message

Announcing passage of **HR 5**, A CONCURRENT RESOLUTION pertaining to adjournment of the General Assembly.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring:

That when the Senate and the House of Representatives adjourns on January 6, 1960, they do so to reconvene on Monday, January 11, 1960, at the hour of five o'clock P.M.

Senator Ware moved the adoption of **HR 5.** Agreed.

Introduction of Resolution

SR 8, by Senator Logan:

SR 8, A CONCURRENT RESOLUTION congratulating Mr. Ed Diddle.

WHEREAS, Mr. Ed Diddle has coached teams which have been victorious in seven hundred basketball games; and

WHEREAS, all seven hundred victories were achieved as basketball coach at Western State College; and

WHEREAS, no man other than Coach Diddle can claim such a distinguished record;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That Mr. Ed Diddle be and he is extended the congratulations of the General Assembly for his most remarkable and praiseworthy accomplishment; and that the best wishes of the General Assembly be extended to Mr. Diddle as he strives for his seven hundred and first victory tonight.

Senator Logan moved that **SR 8** be adopted. Agreed.

Senator Ware moved that the Sergeant-at-Arms be instructed to contact the Legislative Research Commission regarding parking spaces for members. Agreed.

Senator Ware moved that the Senate adjourn until five o'clock P.M., on Monday, January 11, 1960. Agreed.

MONDAY, JANUARY 11, 1960

SIXTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Mrs. J. H. Davis, Duffy, Overbey and Young, who were granted leaves of absence on motion of Senator Ware.

Reading of Journal for January 6, 1960, dispensed with and the same approved on motion of Senator Ware.

Motions, Petitions and Communications

Committee assignments were distributed to each member on motion of Senator Ware.

Standing Committees of the Senate

Administrative Agencies

Gates F. Young, Chairman
Fred Bishop, Vice-Chairman

Bernard J. Bonn
Cabell D. Francis
Richard L. Garnett
Broadus Hickerson
Clyde S. Howard
Durham W. Howard
Paul Jackson
Alvin Kidwell
George E. Overbey, Sr.
Tom Raney
E. W. Richmond
James C. Ware

Agriculture and State Fair

H. Stanley Blake, Chairman
Everett White, Vice-Chairman

J. Murray Blue
George G. Brand
Herbert T. Derickson
O. O. Duncan
Broadus E. Hickerson
Sam R. Hubbard
Alvin Kidwell
C. W. A. McCann
Strother Melton

Appropriations

J. Murray Blue, Chairman
Tom Raney, Vice-Chairman

Archie Craft
Martin J. Duffy, Jr.
Richard Garnett
H. Nick Johnson
Alvin Kidwell
Shelby Kinkead
Strother Melton

Atomic Energy

George D. Conley, Chairman
Clyde S. Howard, Vice-Chairman

J. Murray Blue
Bernard J. Bonn
George G. Brand
Durham W. Howard
Sam R. Hubbard
Rex A. Logan
E. W. Richmond

Aviation

H. Nick Johnson, Chairman
James C. Ware, Vice-Chairman

George G. Brand
Martin J. Duffy, Jr.
James R. Hamilton
Clyde S. Howard
Shelby Kinkead
E. W. Richmond
Everett White

Banks and Banking

Strother Melton, Chairman
Charles H. Davis, Vice-Chairman

Ed. J. Kelly
Archie Craft
Rex A. Logan
Scott Miller, Jr.
Shelby Kinkead
Martin J. Duffy, Jr.
Lambert Hehl, Jr.
H. Nick Johnson
Everett White
Gates F. Young
George E. Overbey, Sr.
George Conley

Charitable, Penal and Reformatory Institutions

James R. Hamilton, Chairman
Gates F. Young, Vice-Chairman

Cabell D. Francis
George E. Overbey, Sr.
Frank H. Bassett, Jr.
Fred Bishop
Tom Raney
Mrs. J. Harry Davis

Child Welfare and Social Work

Mrs. J. Harry Davis, Chairman
Lambert Hehl, Jr., Vice-Chairman

C. W. A. McCann
Archie Craft
Rex A. Logan
Shelby Kinkead
George D. Conley
Herbert T. Derickson

Classifications of Towns and Cities

Q. O. Duncan, Chairman
H. Stanley Blake, Vice-Chairman

Charles H. Davis
Ed. J. Kelly
Burnis Martin
Sam R. Hubbard
J. Murray Blue
Bernard J. Bonn

Compensation for Industrial Injuries

Broadus E. Hickerson, Chairman
Bernard J. Bonn, Vice-Chairman

George G. Brand
H. Stanley Blake
Burnis Martin
Scott Miller, Jr.
Ulysses G. Byers

Constitutional Amendments

Lambert Hehl, Jr., Chairman
George E. Overbey, Sr., Vice-Chairman

Richard L. Garnett
Fred Bishop
C. W. A. McCann
Rex A. Logan
Tom Raney

Courts and Legal Procedure

Scott Miller, Jr., Chairman
Martin J. Duffy, Jr., Vice-Chairman

Lambert Hehl, Jr.
Richard L. Garnett
Cabell D. Francis
Burnis Martin
James C. Ware

Criminal Law

Richard L. Garnett, Chairman
Scott Miller, Jr., Vice-Chairman

Cabell D. Francis
Martin J. Duffy, Jr.
Lambert Hehl, Jr.
Burnis Martin
George E. Overbey, Sr.

Education

E. W. Richmond, Chairman
George D. Conley, Vice-Chairman

Ulysses G. Byers
Sam R. Hubbard
Everett White
James C. Ware
Lambert Hehl, Jr.
Archie Craft
Cabell D. Francis

Election and Redistricting

Fred Bishop, Chairman
J. Murray Blue, Vice-Chairman

Shelby Kinkead
Burnis T. Martin
George G. Brand
Herbert T. Derickson
O. O. Duncan

Enrollment

Clyde S. Howard, Chairman
Rex A. Logan, Vice-Chairman

Sam R. Hubbard

Executive and Legislative Affairs

Sam R. Hubbard, Chairman
Archie Craft, Vice-Chairman

Clyde S. Howard
Paul Jackson
James R. Hamilton
O. O. Duncan
George D. Conley

Fish and Game

Herbert T. Derickson, Chairman
George G. Brand, Vice-Chairman

H. Stanley Blake
Durham W. Howard
Broadus E. Hickerson
Sam R. Hubbard
James R. Hamilton
Archie Craft

Forestry, State and National Parks

Paul Jackson, Chairman
Sam R. Hubbard, Vice-Chairman

Shelby Kinkead
H. Stanley Blake
Frank H. Bassett, Jr.
Tom Raney
Archie Craft
George G. Brand
Herbert T. Derickson

Higher Education

George G. Brand, Chairman
Broadus E. Hickerson, Vice-Chairman

Durham W. Howard
Rex A. Logan
Ed. J. Kelly
Paul Jackson
Shelby Kinkead
Alvin Kidwell
Fred Bishop
Gates F. Young

Insurance

Durham W. Howard, Chairman
Ed. J. Kelly, Vice-Chairman

Charles H. Davis
George D. Conley
Martin J. Duffy, Jr.
Strother Melton
Archie Craft
H. Nick Johnson
Lambert Hehl, Jr.
Alvin Kidwell
James C. Ware
J. Murray Blue
Bernard J. Bonn

Judiciary and Judicial Council

George E. Overbey, Sr., Chairman
Richard L. Garnett, Vice-Chairman

Martin J. Duffy, Jr.
Cabell D. Francis
Scott Miller, Jr.
Gates F. Young
James C. Ware
Lambert Hehl, Jr.
Burnis Martin

Kentucky Statutes # 1

Cabell D. Francis, Chairman
Strother Melton, Vice-Chairman

James C. Ware
Alvin Kidwell
Bernard J. Bonn

Kentucky Statutes # 2

Alvin Kidwell, Chairman
Cabell D. Francis, Vice-Chairman

Martin J. Duffy, Jr.
Broadus E. Hickerson
Charles H. Davis

Labor and Manufacturing

Tom Raney, Chairman
Burnis Martin, Vice-Chairman

Ulysses G. Byers
Cabell D. Francis
James C. Ware
George D. Conley
Strother Melton
J. Murray Blue
Bernard J. Bonn
Scott Miller, Jr.
Frank H. Bassett, Jr.

Library and Historical Records

Rex A. Logan, Chairman
Ulysses G. Byers, Vice-Chairman

George G. Brand
Charles H. Davis
Herbert T. Derickson
James R. Hamilton
Mrs. J. Harry Davis

Mines and Mining

Charles H. Davis, Chairman
H. Nick Johnson, Vice-Chairman

Tom Raney
Ulysses G. Byers
George D. Conley
Ed. J. Kelly
Everett White
Burnis Martin

Motor Vehicles, Commerce and Common Carriers

Bernard J. Bonn, Chairman
James R. Hamilton, Vice-Chairman

George E. Overbey, Sr.
Paul Jackson
Ed. J. Kelly
Broadus E. Hickerson
O. O. Duncan
Rex A. Logan
Strother Melton

Municipalities

Shelby Kinkead, Chairman
C. W. A. McCann, Vice-Chairman

Lambert Hehl, Jr.
George D. Conley
Rex A. Logan
E. W. Richmond
James R. Hamilton
Scott Miller, Jr.
Richard L. Garnett

National and Civil Defense

Ed. J. Kelley, Chairman
Mrs. J. Harry Davis, Vice-Chairman

Paul Jackson
H. Nick Johnson
J. Murray Blue
Frank H. Bassett, Jr.
Clyde S. Howard
E. W. Richmond

Public Health

C. W. A. McCann, Chairman
E. W. Richmond, Vice-Chairman

Mrs. J. Harry Davis
Herbert T. Derickson
Everett White
Gates F. Young
Charles H. Davis
Ulysses G. Byers

Public Utilities

Frank H. Bassett, Jr., Chairman
O. O. Duncan, Vice-Chairman

James R. Hamilton
Herbert T. Derickson
Durham W. Howard
George G. Brand
Richard L. Garnett
Paul Jackson
Scott Miller, Jr.
Shelby Kinkead
Strother Melton

Regulation of Intoxicating Liquors

Martin J. Duffy, Jr., Chairman
Frank H. Bassett, Jr., Vice-Chairman

H. Stanley Blake
Clyde S. Howard
Strother Melton
C. W. A. McCann
James C. Ware

Revenue and Taxation

Archie Craft, Chairman
Shelby Kinkead, Vice-Chairman

Fred Bishop
Bernard J. Bonn
Lambert Hehl, Jr.
James C. Ware
Gates F. Young
Alvin Kidwell
Mrs. J. Harry Davis
Richard L. Garnett
J. Murray Blue

Rural Roads and Highways

Burnis Martin, Chairman
Herbert T. Derickson, Vice-Chairman

Everett White
Mrs. J. Harry Davis
H. Stanley Blake
C. W. A. McCann
Tom Raney
O. O. Duncan
Archie Craft
Gates F. Young

Veterans' Legislation and Military Affairs

Everett White, Chairman
Alvin Kidwell, Vice-Chairman

Paul Jackson
Richard L. Garnett
Shelby Kinkead
Cabell D. Francis
H. Nick Johnson
George D. Conley
Charles H. Davis
Ed. J. Kelly
George E. Overbey, Sr.
Lambert Hehl, Jr.
Broadus E. Hickerson
Fred Bishop
James R. Hamilton
Burnis Martin
C. W. A. McCann
Scott Miller

Ways and Means

Ulysses G. Byers Chairman
Paul Jackson, Vice-Chairman

Fred Bishop
Charles H. Davis
Bernard J. Bonn
E. W. Richmond
H. Nick Johnson
Frank H. Bassett, Jr.
George E. Overbey, Sr.
Ed. J. Kelly

Committee on Committees

Wilson W. Wyatt, Chairman
Alvin Kidwell, Vice-Chairman

James C. Ware
Durham W. Howard
Cabell D. Francis

Calendar

SR 5 was taken from the Calendar and ordered read at length for the second time. Senator Ware moved that it be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Reference of Bills

The President announced reference of the following bills.

Committee References

Public Health: **SB 1.**
Public Health: **SB 2.**
Revenue and Taxation. **SB 3.**
Municipalities: **SB 4.**
Revenue and Taxation: **SB 5.**
Statutes # 2: **SB 6.**
Administrative Agencies: **SB 7.**
Criminal Law: **SB 8.**
Courts and Legal Procedure: **SB 9.**
Elections: **SB 10.**
Veterans: **SB 11.**

The Senate accepted an invitation to meet at the Student Union Building, University of Kentucky on Wednesday evening, January 20, 1960, at 6:30 p.m., EST, on motion of Senator Richmond.

Senator Ware moved that the Senate adjourn until 12 noon, January 12, 1960. Agreed.

TUESDAY, JANUARY 12, 1960

SEVENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Blake, Brand, Derickson, Hubbard, Logan, Melton, Overbey and Young, who were granted leave of absence on motion of Senator Ware.

The Reading of the Journal for January 11 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 12, by Senator Ware: AN ACT relating to war memorials, amending KRS 105.010.

SB 13, by Senator C. Howard: AN ACT relating to inheritance and estate taxes.

SB 14, by Senators C. H. Davis and Johnson: AN ACT relating to destruction of property by use of explosives.

SR 9, by Senator Hamilton: A RESOLUTION relating to the Department of Health.

Orders of the Day

SR 5 taken from the Orders of the Day and ordered read at length for the third time. Senator Ware moved that it retain its place in the Orders of the Day. Agreed.

Senator Ware moved that the Senate adjourn until twelve o'clock noon on January 13, 1960. Agreed.

WEDNESDAY, JANUARY 13, 1960

EIGHTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Blake, C. S. Howard and Miller, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for January 12 dispensed with and the same approved on motion of Senator McCann.

House Message

Announcing passage of **SR** 8 and **HR** 8.

Communications

Letter from Governor Bert T. Combs, relating to appointments on the State Board of Health, read by the Clerk.

"Frankfort, Kentucky

January 12, 1960

This is your notification that I have this day appointed Carl Fortune, M.D., Lexington, Kentucky, to membership on the State Board of Health. This occurs as a result of the expiration of his term on December 31, 1959, and I am reappointing him to this Board.

Also be advised that I have this day appointed A. P. Markendorf, Louisville, Kentucky, to membership on the State Board of Health. This appointment results from a vacancy occurring on the State Board of Health by reason of the fact that the term of the member representing the Kentucky Pharmaceutical Association expired December 31, 1959.

Inasmuch as KRS 211.040 provides that appointments by the Governor to the State Board of Health shall be made with the advice and consent of the Senate, I request that you submit the names of Dr. Fortune and Mr. Markendorf to the Senate and request the concurrence of that body in the appointments which I have made.

Sincerely,

(Signed) Bert Combs
Governor, Commonwealth of Kentucky"

Senator Ware moved that the Senate concur in the appointments of Carl Fortune, M.D., and A. P. Markendorf. Agreed.

Introduction of Bills

SB 15, by Senators Duffy, Jackson, Raney and Hubbard: AN ACT relating to the return of fugitives.

SB 16, by Senator Miller: AN ACT relating to termination of parental rights.

SB 17, by Senator Overbey: AN ACT relating to crimes and punishment.

SB 18, by Senator Logan: AN ACT relating to the publication of financial statements.

SB 19, by Senator Logan: AN ACT relating to congressional districts.

SB 20, by Senator McCann: AN ACT relating to discrimination in employment.

SB 21, by Senator Overbey: AN ACT relating to private corporations.

SB 22, by Senators Johnson, D. W. Howard, Bishop, Kelly, Conley, C. H. Davis, Martin, Jackson, Derickson and White: AN ACT relating to gasoline taxation.

SB 23, by Senator Johnson: AN ACT relating to insurance.

SB 24, by Senator Hamilton: AN ACT relating to poliomyelitis.

Senator Ware moved that the Senate recess for thirty minutes. Agreed. At the appointed hour, the President called the Senate to order.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Ky. Statutes #2: **SR 6, SR 9, SB 18**, and **SB 21.**
Administrative Agencies: **SR 7, SB 20.**
Municipalities: **SB 12.**
Revenue and Taxation: **SB 13.**
Criminal Law: **SB 14, SB 17.**
Rural Roads and Highways: **HR 8.**
Appropriations: **SB 15.**
Judiciary: **SB 16.**
Elections and Redistricting: **SB 19.**

House Message

Announcing passage of **HR 13**, A CONCURRENT RESOLUTION pertaining to respect and tribute to the late "Banjo Bill" Cornett.

SR 13, A CONCURRENT RESOLUTION in respect and tribute to the late "Banjo Bill" Cornett.

WHEREAS, our beloved and respected friend is no more in the service of his mountain people, will no more serve with us in the General Assembly of the Commonwealth of Kentucky, and has answered the roll call of the Great Master and now will serve in the portals of the Most High.

In kindest respect we pay tribute to our loved and loving friend;

WHEREAS, he was truly the Grand Old Man of the Mountains, the Hallmark of the Hills and his kindness was known in all the valleys of his mountain domain. He was truly a devoted husband, a loving father and a dedicated friend to all his fellow men.

In honesty and integrity he towered as high as the mountain spruce that grew around his home, and in his convictions and beliefs he was as strong and immoveable as the great sandstone cliffs in the mountains of his own Knott County; and

WHEREAS, our friend was an understanding man. He knew what the mountains gave, they would sometime take away. And when from out of the furious black and boundless deep the unexpected barge came forth to carry him afar, he said not a word but quietly lay down to peaceful dreams.

He knew that man's life is like a crystal stream of flowing water which meanders its way through tall mountains and peaceful valleys, through sylvan retreats, peaceful groves, verdant plains under calm skies. But unlike other streams that flow on to a sultry dark and restless sea, this stream of life, after going over the falls rises, like the mist at the morning, toward celestial skies for final union with God. And so it was with "Banjo" Bill.

Our friend's soul was full of music and harmony. He wrote and sang many songs to his people. He was close to and was stimulated by the glory of nature. He was always aware of and thrilled by the deep valleys and shady nooks, the high winds' whispering low, the song of the whipperwill or the swish of water in a mountain stream or the rustling of leaves in an easy breeze.

WHEREAS, now his music is stilled by the lasting sleep that kisses down the eyelids still, but for him there is still music:

"There is music here that softer falls
Than strewn rose petals on the grass
Or night dew on walls
Of shadow granite in a gleaming pass
Music that easier on the spirit lies
Than tired eyelids on tired eyes
Music that comes sifting down
From the peaceful beautiful skies,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That when the House of Representatives and the Senate do this day adjourn, they do so in memory of William "Banjo Bill" Cornett.

Section 2. That the House of Representatives and the Senate extend to the family of William "Banjo Bill" Cornett their profound and deepest sympathy and commends the members to the solace of Almighty God.

Section 3. That the Speaker of the House of Representatives and the President of the Senate are authorized to appoint an appropriate number of members of their respective bodies as a joint committee to attend the funeral of William "Banjo Bill" Cornett.

Section 4. That a copy of the Journal of the House of Representatives wherein this resolution is recorded be presented to his widow, Mrs. William Cornett.

Senator Martin moved that the Senate concur in the adoption of HR 13. Agreed.

Senator Ware moved that the Senate adjourn until twelve noon, January 14, 1960. Agreed.

THURSDAY, JANUARY 14, 1960

NINTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Mrs. J. H. Davis, Duncan and White, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for January 13 dispensed with and the same approved on motion of Senator McCann.

Senator Blue moved that all meetings of Senate committees and any action taken by the Senate be on Central Standard Time. Agreed.

Senator Overbey moved that when the Senate adjourn January 15th, it adjourn to meet again on January 20th, at 3 p.m. Agreed.

House Message

Announcing passage of **HR 7.**

Introduction of Bills and Resolutions

SB 25, by Senator Hehl: AN ACT relating to inheritance tax exemptions.

SB 26, by Senator Martin: AN ACT relating to Workmen's Compensation.

SB 27, by Senator McCann: AN ACT relating to plastic containers and coverings.

SB 28, by Senators Melton, Brand and Overbey: AN ACT relating to education.

SB 29, by Senators Melton, Brand and Kidwell: AN ACT relating to the Municipal Acquisition, Ownership and Operation of Utility Facilities and Systems.

SB 30, by Senator Bishop: AN ACT relating to the drafting deeds and mortgages.

SB 31, by Senator Ware: AN ACT relating to officers and employes in the State Service, and declaring an emergency.

SB 32, by Senator Ware: AN ACT relating to the Board of Claims, and declaring an emergency.

SR 10, by Senator Kinkead: A CONCURRENT RESOLUTION recommending the creation of a state park at Spindletop Farm in Fayette County.

Senator Kinkead moved to adopt **SR 10.**

Senator Kidwell moved to amend the motion and refer said resolution to a committee. Agreed.

Senator Kinkead withdrew his motion for adoption.

Senator Duffy moved that the Senate go on record endorsing the action of Senator Kinkead. Agreed.

SR 11, by Senator Ware: A CONCURRENT RESOLUTION pertaining to adjournment of the General Assembly.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That when the Senate and the House of Representatives adjourn on Friday, January 15, 1960, they do so to reconvene on Wednesday, January 20, 1960, at the hour of three o'clock p.m. CST.

Senator Ware moved the adoption of **SR 11.** Agreed.

Report of Committees

Committee on Revenue and Taxation reported **SB 5,** with the expression of opinion that same should not pass because of violation of Kentucky Constitution, Sec. 47.

Committee on Criminal Law reported **SB 14,** with the expression of opinion that same should pass with committee amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 14, AN ACT relating to destruction of property by use of explosives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 433.460 of the Kentucky Revised Statutes is amended to read as follows:

Any person who willfully explodes or who aids, counsels or procures the explosion of any explosive substance on or near another's real or personal property under circumstances that show an intent to cause destruction thereto and thereby destroys or damages another's real or personal property shall be punished by confinement in the penitentiary for not less than two nor more than twenty-one years.

Committee on Criminal Law reported **SB 8,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 8, Senator Martin J. Duffy, Jr., introduced the following bill, which was ordered to be printed.

AN ACT relating to crimes and punishment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 435.010 of the Kentucky Revised Statutes is amended to read as follows:

Any person who commits willful murder shall be punished by confinement in the penitentiary for life, or by confinement in the penitentiary for life without privilege of parole, or by death.

Orders of the Day

SR 5, taken from the Orders of the Day. On motion of Senator Young, seconded by Senator Kelly, **SR 5** was adopted by unanimous consent of all members elected to the Senate.

Reference of Bills

The President announced reference of the following bills:
Revenue and Taxation: **SB 22.**
Insurance: **SB 23.**
Public Health: **SB 24.**

Senator Ware moved that the Senate adjourn until 9 a.m., January 15. Agreed.

FRIDAY, JANUARY 15, 1960

TENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Bassett, Brand, Bonn, Byers, Mrs. J. H. Davis, Duffy, Duncan, Garnett, Hickerson, Johnson, Kinkead and White, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for January 14 dispensed with and the same approved on motion of Senator McCann.

Senator Ware moved that the rules be suspended for the purpose of announcing reference of Bills and Resolutions. Agreed.

Reference of Bills and Resolutions

The President announced reference of the following Bills and Resolutions:

Appropriations: **HR 7.**
Forestry, State and National Parks: **SR 10.**
Revenue and Taxation: **SB 25.**
Compensation for Industrial Injuries: **SB 26.**
Public Health: **SB 27.**
Education: **SB 28.**
Public Utilities: **SB 29.**
Courts and Legal Procedure: **SB 30.**
Ky. Statutes #1: **SB 31** and **SB 32.**

Senator D. W. Howard moved that the Senate recess for ten minutes. Agreed. At the appointed hour, the President called the Senate to order.

House Message

Announcing passage of **SR 5, SR 11, HR 10, HR 11.**

Introduction of Bills and Resolutions

SB 33, by Senator Overbey: AN ACT relating to marriage.

SB 34, by Senator Overbey: AN ACT relating to terms of circuit court.

SB 35, by Senators Ware, McCann, Conley, C. H. Davis, Derickson, C. S. Howard, Jackson, Craft, Raney, Kelly and Richmond: AN ACT relating to the taking of the sense of the people of the state as to the necessity and expediency of calling a Constitutional Convention for the purpose of revising or amending the Constitution of the

Commonwealth of Kentucky, and such amendments as may have been made to the same, as provided by Section 258 of the present Constitution of Kentucky.

SB 36, by Senator Ware: AN ACT relating to local regulation of electrical standards.

SB 37, by Senators Miller and Richmond: AN ACT relating to higher education.

SB 38, by Senators Kelly, Jackson and Conley: AN ACT relating to zoning and planning in cities of the third through sixth classes and in counties containing such cities, and declaring an emergency.

SB 39, by Senator C. S. Howard: AN ACT relating to police officers.

SR 12, by Senator Craft: A RESOLUTION relating to public assistance.

Report of Committees

Committee on Appropriations reported **HR 7** and **SB 15**, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 7, A JOINT RESOLUTION making an appropriation to the Legislative Research Commission for special expenses incurred in connection with sessions of the General Assembly and declaring an emergency.

WHEREAS, additional personnel are necessary to expedite properly the business of the Senate and the House of Representatives; and

WHEREAS, the present appropriation of the Legislative Research Commission is insufficient to provide adequate clerical services to the General Assembly;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That there is appropriated out of the General Expenditure Fund to the Legislative Research Commission the sum of one thousand and five hundred dollars per calendar day during all regular and special sessions of the General Assembly. This appropriation shall be available for expenditure during the 1959-60 fiscal year.

WHEREAS, the General Assembly is now in session and it is necessary that these funds be available immediately, an emergency is declared to exist and this resolution shall become effective upon its passage and approval by the Governor, and shall be retroactive to include payment of compensation to such personnel from and including January 5, 1960.

SB 15, AN ACT relating to the return of fugitives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 440.090 of the Kentucky Revised Statutes is amended to read as follows:

When the Governor of this state makes requisition upon the governor of another state for a fugitive from justice, the person named in the requisition as the agent of this state shall, unless a different condition is contained in his commission, be allowed as compensation from the State Treasury for his services ten cents per mile for the distance he travels to and from the jail of the county designated in the proclamation to the place where the fugitive is arrested, and any other necessary expenses he pays in reclaiming and returning the fugitive. If the agent is not given possession of the fugitive for reasons beyond the agent's control, he shall nevertheless be allowed the compensation prescribed by this section. Upon the return of the fugitive to the county in which the jail named in the proclamation is located, the person having him in charge shall go before a magistrate, who shall issue a mittimus to the jailer to receive the prisoner and keep him until he is discharged.

Committee on Judiciary and Judicial Council reported SB 16, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 16, AN ACT relating to termination of parental rights.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The files and records of the Circuit Court during proceedings for termination of parental rights shall not be open to inspection by persons other than parties to such proceedings, their attorneys, and representatives of the Department of Economic Security except under order of the court expressly permitting inspection. Upon the entry of the final order in the case, the clerk shall place all papers and records in the case in a suitable envelope which shall be sealed and shall not be open for inspection by any person except on written order of the court; provided that the representatives of the Department of Economic Security shall have access to the papers and records of the case without a written order of the court. No person having charge of any termination records shall disclose the names of any parties appearing in such records or furnish any copy of any such records, except upon order of the court which entered the judgment of termination, or as provided in Section 2 of this Act or KRS 199.630; however, this provision is not meant to prohibit the disclosure of facts necessary in order for a person to secure a court order for a copy of the termination order to be used in an adoption proceeding. The clerk of the circuit court shall set up a separate docket and order book for termination cases and these files and records shall be kept locked.

Section 2. After entry of the judgment of termination the clerk of the circuit court shall promptly send a certified copy of the termination order to the Division of Vital Statistics. Upon receipt of this copy, the division shall take such steps as deemed necessary to thereafter provide that the original birth certificate shall not be inspected except upon written order of the court.

Committee on Kentucky Statutes #1 reported **SB 31,** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 31, AN ACT relating to officers and employes in the State Service, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 176.052 of the Kentucky Revised Statutes is hereby repealed.

Section 2. Section 64.640 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, commissioners of the Court of Appeals, employes of the General Assembly, including employes of the Legislative Research Commission, members of boards and commissions, and presidents and employes of the University of Kentucky and the state colleges, the Department of Personnel shall prepare a schedule of compensation, payable out of the State Treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules, the Department of Personnel shall ascertain and record the duties, responsibilities and authority pertaining to

the various offices and positions in the state service, and classify such positions in the manner provided in KRS 18.010 to 18.070. No such schedule shall become effective until it has been approved by the Governor.

(2) The Governor shall set the compensation payable out of the State Treasury to each office or position in the state service hereinafter named but such compensation shall not exceed the maximum sums listed herein:

(a) Commissioner of Conservation, Commissioner of Economic Development, Commissioner of Economic Security, Commissioner of Finance, Commissioner of Health, Commissioner of Highways, Commissioner of Mental Health, Commissioner of Public Relations, Commissioner of Public Safety, Commissioner of Revenue, Commissioner of Banking, Commissioner of Insurance, Commissioner of Motor Transportation, Commissioner of Personnel, $12,000;

(b) Adjutant General, Administrator of Distilled Spirits Unit, Administrator of Malt Beverages Unit, Chief of the Department of Mines and Minerals, Commissioner of Aeronautics, Commissioner of Alcoholic Beverage Control, Commissioner of Fish and Wildlife Resources, Commissioner of Industrial Relations, Commissioner of Welfare, Director of the Kentucky Crippled Children's Commission, Executive Director of the State Tuberculosis Sanatoria Commission, Manager of the Kentucky State Fair, Reviser of Statutes, Chairman of the Public Service Commission, $10,000;

(c) Members of the Public Service Commission of Kentucky, other than the Chairman, $9,000; members of the Workmen's Compensation Board, the provisions of KRS 64.660 to the contrary notwithstanding, and heads of statutory departments and agencies other than those named in paragraphs (a) and (b) of this subsection, $7,500;

(3) The compensation payable out of the State Treasury to officers and employes subordinate to any office or position listed in subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the Public Service Commission of Kentucky whose compensation shall be fixed, within constitutional limits, by the Department of Personnel with the approval of the Governor as provided in subsection (1) of this section.

(4) The compensation payable out of the State Treasury to any subordinate officer or employe in any department, agency, board or commission of the state government not covered by subsection (3) of this section, except elective officers, their assistants and employes, shall not exceed $7,500 per annum, provided however that Doctors of Veterinary Science may be paid not to exceed $10,000 per annum.

(5) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

Section 3. Inasmuch as the offices of Advisory State Highway Commissioners are useless and ought to be abolished immediately, an emergency is declared to exist, and this Act shall take effect immediately upon its passage and approval by the Governor.

SB 14 and **SB 8** were taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed by a majority of the members elected. Ordered placed in the Orders of the Day.

Senator Ware moved that the Senate adjourn until three p.m., January 20. Agreed.

WEDNESDAY, JANUARY 20, 1960

THIRTEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend H. Ward Jackson of the Episcopal Church of the Ascension.

The roll was called. All present except Senators Blue, Garnett, Hamilton, D. W. Howard and Logan, who were granted leave of absence on motion of Senator Conley.

Reading of the Journal for January 15 dispensed with and the same approved on motion of Senator Conley.

Introduction of Bills and Resolutions

SB 40, by Senator Duffy: AN ACT relating to limited partnerships.

SB 41, by Senator Kidwell: AN ACT relating to the licensing, recording of liens and registration of motor vehicles.

SB 42, by Senator Ware: AN ACT relating to city boundaries.

SB 43, by Senator Kelly: AN ACT relating to junkyards.

SB 44, by Senators Young, Kinkead, Bassett, Hickerson, Overbey, Blake, Martin, C. H. Davis, Richmond, Kelly, McCann and Bishop: AN ACT relating to handicapped children.

SB 45, by Senator Ware: AN ACT relating to district detectives.

SB 46, by Senator Francis: AN ACT relating to deaths and the disposal of dead bodies.

SB 47, by Senators Melton, Brand and Overbey: AN ACT relating to the erection of a statue in memory of Alben William Barkley, and making an appropriation therefor.

SB 48, by Senator McCann: AN ACT relating to automotive safety.

SR 13, by Senator Bishop: A RESOLUTION requesting and petitioning the United States Corps of Engineers to hold a public hearing and make preliminary surveys for construction of the Rockcastle Dam.

SR 14, by Senator Kelly:

SR 14, A CONCURRENT RESOLUTION honoring the memory of Thomas A. Duke.

WHEREAS, Thomas A. Duke of Maysville is lately deceased, and

WHEREAS, his leadership in agriculture, especially in the fields of tobacco and harness and show horses, has been invaluable to the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That when the Senate and House of Representatives do this day adjourn they do so in memory of Thomas A. Duke.

Section 2. That the General Assembly does hereby extend to the family of Thomas A. Duke its profound and deepest sympathy and does commend the members thereof to Almighty God who is forever near to those who trust him for solace.

Section 3. That a copy of the Journals of the Senate and the House of Representatives wherein this resolution is recorded be presented to Mr. Andrew Duke.

On motion of Senator Kelly **SR 14** was adopted.

Calendar

HR 7, SB 15, SB 16, SB 31, were taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 14, taken from Orders of the Day, with Committee Substitute attached thereto. Senator Johnson moved that Committee Substitute be adopted. Agreed.

Senator Johnson moved the Previous Question on **SB 14.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 14** was passed and the title agreed to.

Senator C. H. Davis moved that the vote by which **SB 14** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 8, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 8** be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 8.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 8** was passed and the title agreed to.

Senator McCann moved that the rules be suspended for the purpose of making Committee Reports. Agreed.

Report of Committees

Committee on Public Health reported **SB 24,** with the expression of opinion that same should not pass.

Committee on Public Health reported **SB 1** and **SB 27** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 1, AN ACT relating to county health boards, and amending KRS 212.020.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 212.020 of the Kentucky Revised Statutes is amended to read as follows:

The State Board of Health shall appoint three intelligent and discreet licensed and practicing physicians and one intelligent and discreet licensed and practicing dentist residing in each county who, together with the county judge and one person appointed by the fiscal court in each county, shall constitute a local board of health for the respective counties in which they reside. In the event a county does not have three qualified licensed and practicing physicians or one qualified licensed and practicing dentist residing therein, the State Board of Health may appoint a resident lay person in lieu thereof for each such vacancy. The members of the local board shall hold office for a term of two years from the date of their appointment, and until their successors are appointed. The members of the board shall receive no compensation for their services.

SB 27, AN ACT relating to plastic containers and coverings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person, firm or corporation shall sell at retail or offer, advertise or expose for sale at retail or use for any purpose in connection with the conduct of a retail business or service to the public any container or covering constructed of polyethylene or any other plastic substance which container or covering is more than five inches wide at the opening unless the consistency and thickness of the substance is such as to prevent its adhering to the mouth or nostrils in the natural course of breathing.

Section 2. No person, firm or corporation shall abandon or discard any container or covering of the type prohibited by Section 1 of this Act, nor shall any owner, lessee, manager or tenant knowingly permit, upon premises occupied by such owner, lessee, manager or tenant, the abandonment or discard of such container or covering in any place accessible to children.

Section 3. Violation of the provisions of this Act shall be punishable by a fine of not more than fifty dollars, imprisonment for not more than thirty days, or both.

Committee on Public Health reported **SB 2**, with the expression of opinion that same should pass, with committee amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 2, AN ACT relating to the State Board of Health, and amending KRS 211.040.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 211.040 of the Kentucky Revised Statutes is amended to read as follows:

There shall be a State Board of Health, consisting of ten members, each of whom must be licensed in this state to practice the profession required of him by this section as a qualification for membership. The board shall be a continuation of the board appointed under Chapter 120 of the acts of 1920. Nine of the members shall be appointed by the Governor, by and with the advice of the Senate. The Commissioner of Health shall constitute the tenth member. One member of the board shall be a registered pharmacist, and shall be appointed from a list of three names submitted by the Kentucky Pharmaceutical Association. One member shall be a licensed dentist and shall be appointed from a list of three names submitted by the Kentucky Dental Association. Of the other members one shall be a homoeopathic, one an eclectic, and one an osteopathic physician, and the others shall be regular allopathic physicians, all to be appointed from a list of three names for each position furnished respectively by the state society or association of such schools or systems of practice as are entitled to the member. If the board elects one of its members as Commissioner of Health, the Governor shall appoint another member to complete the full number of the board. No member of the board, except the Commissioner of Health, shall be a stockholder or member of the faculty or board of trustees of any medical or dental college.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Child Welfare and Social Work: **HR 10.**

Public Utilities: **HR 11.**

Appropriation: **SR 12.**

Courts and Legal Procedure: **SB 33.**

Judiciary and Judicial Council: **SB 34.**

Constitutional Amendments: **SB 35.**

Municipalities: **SB 36, SB 38, SB 39.**

Higher Education: **SB 37.**

Senator Ware moved that the Senate adjourn until twelve noon, January 21. Agreed.

THURSDAY, JANUARY 21, 1960

FOURTEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Fred T. Moffatt of the First Baptist Church of Frankfort.

The Roll was called. All members present.

Reading of the Journal for January 20 dispensed with and the same approved on motion of Senator Conley.

Introduction of Bills and Resolutions

SR 15, by Senators Bassett, Conley, Richmond and Kelly: A RESOLUTION relating to the consideration of the Commonwealth's fiscal program.

SB 49, by Senator McCann: AN ACT relating to debtors' exemptions.

SB 50, by Senator Logan: AN ACT relating to County Law Libraries.

SB 51, by Senator Logan: AN ACT relating to legal counsel for indigent persons.

SB 52, by Senator Kinkead: AN ACT relating to pension funds of cities of the second class.

SB 53, by Senator Kinkead: AN ACT relating to qualification of applicants for civil service in cities of the second class.

SB 54, by Senator Kinkead: AN ACT relating to parking meters in cities of the second class.

SB 55, by Senator Kinkead: AN ACT relating to city boundaries.

SB 56, by Senator Hamilton: AN ACT relating to stockyards.

SB 57, by Senator Richmond: AN ACT relating to the establishment, operation and regulation of independent business schools.

SB 58, by Senator Hehl: AN ACT relating to liability insurance of school district boards.

SB 59, by Senator Hehl: AN ACT relating to the liability of members of boards of education.

SB 60, by Senator Ware: AN ACT relating to compensation of public officers and employes.

SR 16, by Senator Conley: A CONCURRENT RESOLUTION honoring the memory of Otto C. Gartin.

WHEREAS, Almighty God in his infinite wisdom has seen fit to summon from our presence the Honorable Otto C. Gartin.

WHEREAS, his passing has removed from our Commonwealth an able and efficient public servant of his city, county, state and nation as shown by his record as a soldier in World War I in the United States, England and France, and

WHEREAS, he has a distinguished record as a Senator in the Kentucky State Senate and two terms in the House of Representatives, as well as other offices of public trust and honor,

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That when the Senate does this day adjourn, it does so in memory of Otto C. Gartin.

Section 2. That a copy of this resolution be sent by the clerk of the Senate to his widow, Mrs. O. C. Gartin.

Senator Conley moved the adoption of **SR 16.** Agreed.

Senator Ware moved that when the Senate adjourn, it adjourn to meet again at 9 a.m., January 22. Agreed.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Ways and Means: **SB 40.**
Motor Vehicles, Commerce and Common Carriers: **SB 41, SB 48.**
Municipalities: **SB 42.**
Rural Roads and Highways: **SB 43.**
Child Welfare and Social Work: **SB 44.**
Judiciary and Judicial Council: **SB 45.**
Public Health: **SB 46.**
Appropriations: **SB 47.**
Forestry, State and National Parks: **SR 13.**

Report of Committees

Committee on Judiciary and Judicial Council reported **SB 34,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 34, AN ACT relating to terms of circuit court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The preamble and subsections (1) and (42) of section 23.050 of the Kentucky Revised Statutes are amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

(1) First District. Carlisle County, at Bardwell, on the third Monday in February, the first Monday in June and the first Monday in November, twelve juridical days each.

Fulton County, at Hickman, on the third Monday in January, twelve juridical days; on the second Monday in April, six juridical days; on the first Monday in May, twelve juridical days; on the third Monday in September, eighteen juridical days.

Graves County, at Mayfield, on the first Monday in March, thirty juridical days; on the third Monday in June, eighteen juridical days; on the third Monday in November, thirty-six juridical days.

Hickman County, at Clinton, on the first Monday in February and the third Monday in May, twelve juridical days each; on the second Monday in October, eighteen juridical days.

(42) Forty-second District. Marshall County, at Benton, on the first Monday in January, the first Monday in May, and the first Monday in September, twenty-four juridical days each.

Livingston County, at Smithland, on the second Monday in February, the second Monday in June, and the second Monday in October, eighteen juridical days each.

Calloway County, at Murray, on the first Monday in March, the first Monday in July, and the first Monday in November, twenty-four juridical days each.

Ballard County, at Wickliffe, on the second Monday in April, the second Monday in August, and the second Monday in December, eighteen juridical days each.

Committee on Rural Roads and Highways reported **HR** 8, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 8, A CONCURRENT RESOLUTION directing the Department of Highways to seek Federal designation for Kentucky Highway Number 80 as a Federal Highway.

WHEREAS, Kentucky Highway Number 80 crosses the Commonwealth of Kentucky from east to west; and

WHEREAS, a greater number of counties, county seats and districts are served by Kentucky Highway Number 80 than by any other existing highway in this Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Department of Highways of the Commonwealth of Kentucky is directed to take proper steps to obtain the designation of Kentucky Highway Number 80 as a United States Highway, both as to number and classification to qualify for Federal funds.

Section 2. That the Clerk of the Senate is directed to forward authenticated copies of this Resolution to the Commissioner of Highways of the Commonwealth of Kentucky, to the United States Bureau of Public Roads and to the United States Route Numbering Committee of the American Association of State Highway Officials.

Committee on Constitutional Amendments reported **SB 35**, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 35, AN ACT relating to the taking of the sense of the people of the state as to the necessity and expediency of calling a Constitutional Convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky, and such amendments as may have been made to the same, as provided by Section 258 of the present Constitution of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That, whereas, at the Extraordinary Session of the General Assembly of Kentucky held in the year 1959, House Bill No. 1 was enacted by the General Assembly of the Commonwealth of Kentucky, which is in words and figures as follows, to wit:

"HOUSE BILL NO. 1

"AN ACT relating to the taking of the sense of the people of the state as the necessity and expediency of calling a Constitutional Convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky, and such amendments as may have been made to the same, as provided by Section 258 of the present Constitution of Kentucky.

"Be it enacted by the General Assembly of the Commonwealth of Kentucky:

"Section 1. That the sense of the people of the state as to the necessity and expediency of calling a convention for the purpose of revising or amending the present Constitution, and such amendments as may have been made to the same, shall be taken as herein provided and as provided in Section 258 of the Constitution of Kentucky.

"Section 2. When this act is passed at the present session of the General Assembly by a majority of all members elected to each house of the present General Assembly, that is, when a majority of all the members of each house shall concur by a yea and nay vote, to be entered upon their respective journals, this act shall be spread upon the respective journals of each house as a law.

"Section 3. If the next General Assembly shall, in like manner, concur in this act after it becomes a law as herein provided, it shall provide for having a poll opened in each voting precinct in this state by the officers provided by law for holding general elections at the next ensuing regular election to be held for state officers which does not occur within ninety days from the final passage of such law, at which time and places the votes of the qualified voters shall be taken for and against calling the convention, in the same manner provided by law for taking votes in other state elections. The vote for and against said proposition shall be certified to the Secretary of State by the same officers and in the same manner as in state elections. If it shall appear that a majority voting on the proposition was in favor of calling a convention, and if the total number of votes for the calling of the convention is equal to one-fourth of the number of qualified voters who voted in the last preceding general election in this state, the Secretary of State shall certify the same to the General Assembly at its next regular session, at which session a law shall be enacted calling a convention to revise or amend the present Constitution of this state, and such amendments as may have been made thereto, only with respect to the subjects set out in Section 4 of this act, and no others. Nothing in this act shall be construed to permit any change in the Bill of Rights.

"Section 4. The convention provided to be called by this act shall be limited in its consideration to the following subjects and shall consider no others:

"(1) The organization and powers of municipal, county and other local governments.

"(2) The judicial department and courts.

"(3) Compensation of public officers and employes.

"(4) The order of succession of persons entitled to act as Governor and the circumstances under which the Governor is disqualified to act.

"(5) Misfeasance, malfeasance and nonfeasance of public officers.

"(6) Official oaths.

"(7) The Railroad Commission.

"(8) The Legislative Department.

"(9) The mode of revision or amendment of the Constitution.

"(10) Incompatibility of offices.

"(11) Terms and tenure of state officers other than Governor and Lieutenant Governor.

"(12) Removal of limitations on the holding of real estate.

"Section 5. Before any Constitution agreed upon by a convention that may be called pursuant to this act and to Section 258 of the present Constitution shall take effect and become operative, the same shall be submitted to the qualified voters of this Commonwealth, after at least ninety days' notice, and ratified by a majority of those voting." and,

Whereas, the said law above copied was spread at large upon the respective journals of the General Assembly for said session,

Now, therefore, be it further enacted by the General Assembly of the Commonwealth of Kentucky, that:

Section 1. This, the Regular Session of the General Assembly, held in the year 1960, does hereby concur in House Bill No. 1 enacted at the Extraordinary Session of the General Assembly of the Commonwealth of Kentucky held in the year 1959.

Section 2. That the sense of the people of the state as to the necessity and expediency of calling a convention for the purpose of revising or amending the present Constitution, and such amendments as may have been made to the same, shall be taken as herein provided and as provided in Section 258 of the Constitution of Kentucky.

Section 3. A poll shall be opened in each voting precinct in this state by the officers provided by law for holding general elections at the regular election to be held November 8, 1960, at which time and places the votes of the qualified voters shall be taken for and against calling the convention in the same manner provided by law for taking votes in other state elections.

Section 4. The Secretary of State, not less than fifty days before the regular election to be held November 8, 1960, shall certify the question of calling a convention to the county clerk of each county and the county clerk shall have the question as so certified placed on the ballot as provided in the general election laws. The question submitted to the voters shall be as follows:

"Are you in favor of calling a convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky and such amendments as may have been made to same, limiting said convention to the consideration of the following subjects, and no others: (1) The organization and powers of municipal, county and other local governments; (2) The judicial department and courts; (3) Compensation of public officers and employes; (4) The order of succession of persons entitled to act as Governor and the circumstances under which the Governor is disqualified to act; (5) Misfeasance, malfeasance and nonfeasance of public officers; (6) Official oaths; (7) The Railroad Commission; (8) The Legislative Department; (9) The mode of revision or amendment of the Constitution; (10) Incompatibility of offices; (11) Terms and tenure of state officers other than Governor and Lieutenant Governor; (12) Removal of limitations on the holding of real estate; **providing** that no change shall be made in the Bill of Rights; **and providing further** that any Constitution agreed upon by the convention shall not become effective until submitted to the voters of the Commonwealth for their approval, by a majority of those voting?"

Opposite and to the right of said question shall first be printed the word "Yes" with a square opposite that word, and immediately below the word "Yes" shall be printed the word "No" with a square opposite that word.

Section 5. Before a vote is taken upon the question of calling a convention the Secretary of State shall cause notice of the election and the purpose therefor to be published at least four times in two newspapers of general circulation published in this state, and shall also cause to be published at the same time and in the same manner the fact that the question set out in Section 4 of this act will be submitted to the voters for their acceptance or rejection at the regular election to be held November 8, 1960. The publication shall be made so that the last publication will be at least ninety days preceding the election at which said question is to be voted on.

Section 6. The vote for and against said proposition shall be certified to the Secretary of State by the same officers and in the same manner as in state elections. If it shall appear that a majority voting on the proposition was in favor of calling a convention, and if the total number of votes for the calling of the convention is equal to one-fourth of the number of qualified voters who voted in the last preceding general election in this state, the Secretary of State shall certify the same to the General Assembly at its next regular session, at which session a law shall be enacted calling a convention to revise or amend the present Constitution of this state, and such amendments as have been made thereto, only with respect to the subjects set out in Section 4 of this act, and no others.

Section 7. Before any Constitution agreed upon by a convention that may be called pursuant to this act and to Section 258 of the present Constitution shall take effect and become operative, the same shall be submitted to the qualified voters of this Commonwealth, after at least ninety days' notice, and ratified by a majority of those voting.

Section 8. When this act is passed at the present session of the General Assembly by a majority of all members elected to each house of the present General Assembly, that is, when a majority of all the members of each house shall concur by a yea and nay vote, to be entered upon their respective journals, this act shall be spread upon the respective journals of each house as a law.

Committee on Courts and Legal Procedure reported **SB 33**, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 33, AN ACT relating to marriage.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 402.020 of the Kentucky Revised Statutes is amended to read as follows:

Marriage is prohibited and void:

(1) with an idiot or lunatic;

(2) between a white person and a Negro or mulatto;

(3) where there is a husband or wife living, from whom the person marrying has not been divorced;

(4) when not solemnized or contracted in the presence of an authorized person or society;

(5) when at the time of marriage, the male is under eighteen or the female under sixteen years of age, provided, however, that in case of pregnancy the male and female, or either of them, under the ages herein specified may apply to a circuit judge for permission to marry, which application may be granted, in the discretion of the circuit judge.

Section 2. Section 402.030 of the Kentucky Revised Statutes is amended to read as follows:

Courts having general equity jurisdiction may declare void any marriage obtained by force or fraud or, at the instance of any next friend, may declare any marriage void where the male was under eighteen or the female under sixteen years of age at the time of the marriage, and the marriage was without the consent of the father, mother, guardian or other person lawfully having charge of his or her person and has not been ratified by cohabitation after that age.

Committee on Forestry, State and National Parks reported **SR 10**, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SR 10, A CONCURRENT RESOLUTION recommending the creation of a state park at Spindletop Farm in Fayette County.

WHEREAS, Kentucky is probably best known for its leading role in the horse industry which attracts more tourists annually to the Commonwealth than any other single attraction; and

WHEREAS, this multi-million dollars industry means much economically to thousands of our citizens; and

WHEREAS, it is not only entirely fitting, but practical and feasible to establish a state park in the heart of the horse country at beautiful Spindletop Farm in Fayette County; and

WHEREAS, the Commonwealth has taken advantage of other natural tourist attractions in other sections of the state by the establishment of state parks at selected sites; and

WHEREAS, no state park is presently located in Central Kentucky although this region is widely known as one of the natural scenic spots not only of the United States but of the world; and

WHEREAS, it would seem reasonable and practical to take advantage of our leading position in the race horse industry by establishing a state park to capture the color and glamour of this industry and further promote the industry by placing "on view" to visitors from throughout the world, the many facets of this industry in its natural environment; and

WHEREAS, Spindletop Farm presents itself as an ideal location for combining the "attraction of the horse" and the natural beauty of the bluegrass countryside;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the General Assembly of the Commonwealth of Kentucky in regular session assembled, the Senate and House concurring, that the Governor of Kentucky be urged through the Department of Conservation to take those steps necessary to the establishment of a state park at Spindletop Farm in Fayette County.

Section 2. That all state Senators and Representatives support any legislation necessary to accomplish the foregoing.

Senator Kinkead moved the adoption of **SR 10.** Agreed

Calendar

SB 1, SB 27, SB 2 were taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in the Orders of the Day.

Orders of the Day

HR 7, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **HR 7** be read by title only. Agreed.

Senator Ware moved the Previous Question on **HR 7**. Agreed.

On the roll call, the vote was: Yeas 37—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White Young. Nays 0. **HR 7** was passed and the title agreed to.

SB 15, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 15** be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 15**. Agreed.

On the roll call, the vote was: Yeas 36—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 15** was passed and the title agreed to.

SB 16, taken from Orders of the Day and ordered read at length for the third time. Senator Miller moved that **SB 16** be read by title only. Agreed.

Senator Miller moved the Previous Question on **SB 16**. Agreed.

On the roll call, the vote was: Yeas 36—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 16** was passed and the title agreed to.

SB 31, taken from Orders of the Day and read at length for the third time. Senator Ware moved that **SB 31** be read by title only. Agreed.

Senator Ware moved to amend **SB 31** as follows: Amend printed copy of **SB 31**, pages 1, 2, 3 and 4, section 2, by deleting Section 2 in its entirety. Agreed.

Senator Ware moved the Previous Question on **SB 31**, as amended. Agreed.

On the roll call, the vote was: Yeas 36—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 31** was passed.

Senator Ware moved to amend the Title to **SB 31** as follows: Amend printed copy of **SB 31** on page 1, Title, by striking the title and inserting in lieu thereof: "An act abolishing the State Highway Advisory Commission". Agreed.

House Message

Announcing passage of **HR 9, HR 24.**

Report on Enrolled Bills

Committee on Enrollment reported that **HR 7** had been signed in open session by the President.

Committee on Enrollment reported that **SR 5** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

SR 5 delivered, signed by Speaker of the House. Ordered delivered to the Governor.

Senator Ware moved that the Senate adjourn until 9 a.m., January 22. Agreed.

FRIDAY, JANUARY 22, 1960

FIFTEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend J. Carter Roberts of the Church of the Nazarene.

The roll was called. All present except Senators Blake, Miller and Overbey, who were granted leave of absence on motion of Senator Garrett.

Reading of the Journal for January 21 dispensed with and the same approved on motion of Senator Garrett.

Introduction of Bills and Resolutions

SB 61, by Senators McCann, Kelly, Hickerson, Brand, Conley, Mrs. J. H. Davis and Miller: AN ACT relating to motor vehicle safety.

SB 62, by Senator Kelly: AN ACT relating to civil practice.

SB 63, by Senator C. S. Howard: AN ACT relating to liability for the operation of motor vehicles.

SB 64, by Senator Melton: AN ACT relating to the practice of Veterinary Medicine, Veterinary Surgery, and Veterinary Dentistry.

SB 65, by Senator Melton: AN ACT relating to the practice of Veterinary Medicine, Veterinary Surgery, and Veterinary Dentistry requiring the County Attorney to assist the Board of Veterinary Examiners in actions wherein injunctions are sought by the Board.

SB 66, by Senator Bishop: AN ACT relating to rural highways.

SB 67, by Senator Logan: AN ACT relating to court costs.

SB 68, by Senators D. W. Howard and Johnson: AN ACT relating to leaves of absence for teachers.

SR 17, by Senators Johnson, Derickson, Jackson, Bishop, Miller, Duncan, C. H. Davis, Conley, McCann and Mrs. J. H. Davis: A CONCURRENT RESOLUTION commending Don S. Sturgil for his accomplishments while Commissioner of Public Safety.

Report of Committees

Committee on Administrative Agencies reported **SB 7** with the expression of opinion that same should not pass.

Committee on Municipalities reported **SB 12, SB 38,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 12, AN ACT relating to war memorials, amending KRS 105.010.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 105.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any city or county of the Commonwealth is authorized to establish or erect a war memorial to commemorate the sacrifices of its citizens who are serving or have served in the Armed Forces of the United States during any war. Such memorials may be located outside the city limits.

(2) Any county and city thereof may undertake the establishment or erection of such memorial jointly, and to share the expense thereof in such proportions as may be agreed upon between their governing bodies.

(3) Any city or county, either separately or jointly, in order to carry out the establishment and erection of a war memorial, may purchase, accept as a gift, or acquire in any other legal manner, including eminent domain, a cemetery to be used for memorial purposes. The city or county is authorized to care for and supervise burials on such lots in such cemetery as have been sold by the cemetery association prior to acquisition by the city or county. No city or county shall sell lots in a cemetery acquired in accordance with the provisions of this Act.

(a) Each city or county, either separately or jointly, is authorized to use prison labor from the city or county for the purpose of keeping such cemetery in proper condition.

SB 38, AN ACT relating to zoning and planning in cities of the third through sixth classes and in counties containing such cities, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Any city of the third, fourth, fifth or sixth class and the county in which such city is located are hereby authorized and empowered to enter into an agreement to regulate the physical development, including planning and zoning, of the incorporated area of such city and the unincorporated area of such county. Such agreement shall be in writing and submitted to the legislative body of such city and the fiscal court of such county, for approval or disapproval. If approved, the provisions of this Act and said agreement shall become effective upon the adoption thereof by a mutual ordinance and order passed by such legislative body and by such fiscal court, respectively, setting forth therein said written agreement, and authorizing the execution and delivery of same.

Thereupon said agreement shall be recorded in the office of the clerk of the county court of such county, and the city clerk or other appropriate official of such city.

(2) In the event that more than one city in such county desires to avail itself of the benefits of this Act, such additional city or cities are hereby authorized and empowered to enter into an agreement or agreements as set out in subsection (1) of this Section with such county, with the territorial jurisdiction of the joint city-county planning commissions terminating at a line or lines equi-distant from the respective corporate limits of the participating cities or in the event that such division is not practical at a line or lines mutually agreed upon by the city-county commissions involved. If agreement cannot be reached by the commissions involved, then it shall be the duty of the fiscal court to determine such line or lines.

(3) The territorial jurisdiction of a joint city-county planning commission shall not include the incorporated area of any city which does not enter into an agreement with the county to participate in a joint city-county planning commission as set out in subsection (1) of this Section.

Section 2. Such city or cities and such county are hereby authorized and empowered to make, adopt, adjust, amend, extend, and add to, by appropriate ordinances and orders, joint and comprehensive city and county planning and zoning plans, including rules and regulations for the enforcement thereof; and may jointly create:

(1) One or more joint city and county planning commissions, hereinafter called "commission", with the powers, duties and functions hereinafter set forth; and

(2) One or more joint city and county boards of zoning adjustment and appeals, hereinafter called "board", with the powers, duties and functions hereinafter set forth.

Section 3. (1) It shall be the function and duty of each commission to prepare and approve a comprehensive plan for the physical development of the city and the area of the county encompassed by the territorial jurisdiction of each commission, and to submit and recommend same to the fiscal court and to the legislative body of the city for adoption or rejection. The legislative body or the fiscal court may adopt that portion of the comprehensive plan or parts thereof that pertain to its area of jurisdiction separate from the action of the other body.

(2) Said comprehensive plan shall show and include:

(a) A Master plan, as defined and provided for in KRS 100.046 through 100.051;

(b) A zoning plan and regulations and restrictions relating thereto, as defined and provided for in KRS 100.066 through 100.073 and

(c) Subdivision control regulations and restrictions relating thereto, as defined and provided for in KRS 100.087 through 100.093.

(3) In the preparation of the comprehensive plan, and at all times thereafter, it shall be the duty of the commission to consult and advise with public officials and agencies, including the city and county board of health or its successor or successors, public utility companies, civic, educational, agricultural, professional and other organizations, and with citizens, regarding the preparation, protection and carrying out of the plan. The commission, its members, officers, and employees, in the performance of their duties and functions, may enter upon any land and make examinations and surveys that do not occasion damage or injury to private property. In general, the commission shall have such powers as may be necessary to enable it to fulfill its duties and functions, to promote city and county planning, and to carry out the purposes of this Act.

(4) The commission may, from time to time, recommend to the appropriate public officials programs for the acquisition of land and the construction of public structures and improvements, and for the financing thereof.

(5) The commission shall have power to promote public interest in an understanding of the comprehensive plan, and part and parts thereof, and to that end may publish and distribute copies thereof, or of any report relating thereto, and may employ such other means of publicity and education as it may determine.

(6) From and after the time the subdivision control regulations and restrictions of a joint city-county planning commission are adopted and in force, the provisions of KRS 100.720 which authorize city planning commissions to exercise subdivision control over land located outside the corporate limits of cities shall not apply within the area of jurisdiction of such joint city-county planning commission. Similarly, the provisions of KRS 100.650, 100.730, 100,760, 100.780, 100.790 and any other provisions of Kentucky Revised Statutes which give specific or implied authority to city legislative bodies and city planning commissions to include and regulate land located outside the corporate limits of cities in the major street plans or in any other portions or elements of the master plans of cities, shall not apply within the area of jurisdiction of a joint city-county planning commission from and after the time the subdivision control regulations and restrictions of such joint city-county planning commission are adopted and in force.

Section 4. The commission shall be composed of four ex officio members, who shall be the mayor, a member of the legislative body of the city selected by the legislative body, the county judge or a member of the fiscal court, and the road engineer of such county or another member of the fiscal court, and four citizen members, two to be appointed by the mayor and two to be appointed by the county judge. The two citizen members appointed by the mayor shall be residents within the corporate limits of such city. The two citizen members appointed by the county judge shall be residents of that portion of the county lying outside the corporate boundaries of such city, but inside the area comprising the territorial jurisdiction of the commission. The term of each ex officio member shall correspond to his respective official tenure. The terms of the citizen members shall be four years, and until their successors take office, except that the original terms shall be one and four years, respectively, for the two citizen members appointed by the mayor and two and three years, respectively, for the two citizen members appointed by the county judge. The mayor or the county judge shall appoint successors of citizen members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the commission shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A citizen member may be removed by the appointing official for inefficiency, neglect of duty, malfeasance, or improper conduct. The appointing official shall file with the commission a written statement setting forth the reasons for such removal.

Section 5. The commission shall elect, from among its citizen members, a chairman and vice-chairman. In the absence of the chairman, the vice-chairman shall act and have all of the powers and duties of the chairman. The terms of the chairman and vice-chairman shall each be for one year. The commission shall hold at least one regular meeting in each calendar quarter. It shall adopt bylaws for the transaction of business and keep minutes and records of all of its proceedings, showing its resolutions, transactions, findings and determinations, and the vote of each member on each question, or, if absent, or failing to vote, indicating such fact, all of which shall be immediately filed in the office of the commission and shall be public records. Both the ex officio members and the citizen members, except the chairman, shall be entitled to vote on any subject or matter before the commission, and five members including the chairman or acting chairman shall constitute a quorum for the transaction of any business. However, approval of any ordinance, regulation or order shall be made only by majority vote of the entire commission. In case of a tie vote or a deadlock, the chairman shall have the power to vote and shall cast his vote and break such tie vote or deadlock. The commission shall prepare and submit to the fiscal court and to the city legislative body proposed amendments to the comprehensive plan or any portion thereof, and such amendments shall become effective in the same manner as provided for the adoption of the comprehensive plan or portions thereof in Section 3 of this Act. Proposed amendments to the comprehensive plan or any portion thereof which are not submitted to the fiscal court or city legislative body by the commission shall not be acted upon by the fiscal court or city legislative body until such proposed amendments have been submitted to the commission for approval. In case of disapproval by the commission, the commission shall communicate the reasons for such disapproval to the fiscal court or city legislative body, and a recorded vote of not less than two-thirds of the entire membership of the fiscal court or city legislative body shall be necessary to overrule such disapproval. The failure of the commission to act within ninety days after the official submission of a proposed amendment to the commission shall be deemed approval.

Section 6. The commission shall designate and appoint an enforcement officer who may be a member of the commission, who shall be charged with and provided with the authority to enforce the ordinances, regulations, and orders of the commission and to issue zoning permits and certificates of occupancy. The commission may fix a reasonable schedule of fees for the issuance of such permits and certificates.

Section 7 (1) The board of zoning adjustment and appeals shall be composed of six members, none of whom shall hold any other city or county office, except that one may be a citizen member of the commission. Three of the members shall be appointed by the city legislative body and the other three by the fiscal court. Terms of office shall be three years, except that of the original appointments by the city legislative body one shall be for one year, one for two years, and one for three years, and that of the original appointments by the fiscal court one shall be for one year, one for two years, and one for three years. The city legislative body or the fiscal court shall appoint successors of members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the board shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A member may be removed for cause by the appointing authority upon written charges and after public hearing.

(2) The board shall elect a chairman and a vice-chairman. In the absence of the chairman, the vice-chairman shall act and have all of the powers and duties of the chairman. The terms of the chairman and vice-chairman shall each be for one year. The chairman shall have the right to vote on any subject or matter before the board only in case of a tie vote or a deadlock in order to break such tie vote or deadlock. Meetings of the board shall be held at the call of the chairman and at such other times as the board determines.

Section 8 (1) The board of zoning adjustment and appeals may:

(a) Adopt by laws for its government, not inconsistent with any law, city ordinance, or order or resolution of the fiscal court, with reference to the plans under consideration by the board;

(b) Hear and decide appeals and applications for special exceptions;

(c) Authorize, upon application or appeal, such variances from the terms of the ordinance or order, or of any plans, rules or regulations made thereunder, as will not be contrary to the public interest, where a literal enforcement of the provisions of the ordinance, order, plans, rules or regulations would result in unnecessary hardship, and so that the spirit of the ordinance or order shall be observed and substantial justice be done.

(2) In exercising its powers, the board may reverse, affirm or modify an order or decision of an administrative official.

(3) The concurring vote of a majority of the entire membership of the board shall be necessary in making any decision.

Section 9. (1) In the event that no city in such county desires to avail itself of the benefits of this Act, the fiscal court of such county is hereby authorized and empowered to regulate the physical development, including planning and zoning, of the unincorporated areas of such county. The intention to so regulate by such county shall be indicated by an order passed by such fiscal court which shall: create a county planning commission and a county board of zoning adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with the functions, powers and duties hereinbefore provided for joint city-county commissions and boards; provide for the personnel and staff of such county commission and board including an enforcement officer; and provide for the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(2) The fiscal court, in order to determine that no city in such county desires to participate in a joint city-county planning commission shall submit a petition of inquiry to the legislative body of the third through sixth class city or cities, which must be answered in writing by the city legislative body within sixty days. If no answer to the petition is forthcoming from the city within sixty days, the fiscal court shall interpret this as a negative reply.

(3) A county planning commission shall be composed of two ex officio members, who shall be the county judge, and either a second member of the fiscal court appointed by the fiscal court or the county road engineer, and six citizen members appointed by the county judge, who shall be residents of the unincorporated areas of the county. The term of each ex officio member shall correspond to his respective official tenure. The terms of the citizen members shall be four years, and until their successors take office except that the original terms shall be for one year for one member, two years for two members, three years for one member, and four years for two members. The county judge shall appoint successors of citizen members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the commission shall, before entering upon their duties as such, qualify by taking the necessary oath of office

before the county judge of such county. A citizen member may be removed by the appointing official for inefficiency, neglect of duty, malfeasance, or improper conduct. The appointing official shall file with the commission a written statement setting forth the reasons for such removal. The bylaws and powers pertaining to the officers of the county commission, meetings, records, rates, quorum and enforcement shall be the same as those permitted when a city of the third through sixth class joins with its county or part thereof to form a joint commission.

(4) When a county planning commission exists and a zoning ordinance has been adopted, a county board of zoning adjustment and appeals shall be appointed. The board shall be composed of six members, who shall be residents of the unincorporated areas of the county, none of whom shall hold any other county office except that one may be a citizen member of the planning commission. All six members shall be appointed by the fiscal court. Terms of office shall be three years, except those of the original appointments, of which two shall be for one year, two for two years, and two for three years. The fiscal court shall appoint successors of members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the board shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A member may be removed for cause by the appointing authority upon written charges and after public hearing. The board shall have the same powers and duties as set forth for joint city-county boards of zoning adjustment and appeals.

Section 10. In instances where there is no incorporated city in a county, the fiscal court may appoint a county planning commission and a board of zoning adjustment and appeals in order to avail the county of the benefits of this statute. The organization, functions, powers and duties of such commission and board will be the same as those provided for in Section 9 of this Act.

Section 11. (1) Any person, firm, corporation, organization, taxpayer, public official or government department, agency, board, or bureau affected by any decision, order or ruling of the board of zoning adjustment and appeals may appeal from such action or decision to the circuit court, and jurisdiction is hereby given to such circuit court to herein determine all questions and issues properly brought before it on such appeal. Such appeals shall be taken to said circuit court within thirty (30) days after rendition of such official decision, order or ruling by giving notice of the appeal to said board and all other parties of record and by filing in the office of the clerk of said circuit court a statement of appeal setting forth the decision, order or ruling appealed from, the date thereof, and the reasons and grounds for said appeal, and attaching thereto as a part thereof a ceritfied copy of said decision, order or ruling.

(2) After the appeal is taken the procedure shall be governed by the Kentucky Rules of Civil Procedure, subject to the provisions of subsections (3), (4), (5), (6), (7), and (8) of this section, and all parties to the proceeding shall have the right to any and all processes, including, but not limited to, subpoenas, allowed in other cases in said circuit court.

(3) Summons shall issue upon the statement of appeal directing the adverse parties to file answer within twenty (20) days after service of the statement of appeal and directing the board to certify its complete record of the case to the court, or if the parties consent, an abstract of the record.

(4) An appeal shall stay all action by all parties of record in the matter appealed from.

(5) No new or additional evidence may be introduced in the circuit court except as to the misconduct of some person engaged in the administration of this Act or an ordinance or order enacted thereunder which affects the decision, order or ruling, but the court shall otherwise hear the cause upon the record or abstract as certified by the board and shall dispose of the case in a summary manner, its review being limited to determine whether or not:

(a) The board acted in excess of its power;

(b) The decision, order or ruling was the result of misrepresentation, fraud, bad faith or abuse of discretion;

(c) The decision, order or ruling is in conformity with the provisions of this Act or any ordinance or order adopted pursuant thereto.

(6) The court shall enter judgment affirming, modifying or setting aside the decision, order or ruling, or in its discretion, remanding the case to the board for further proceedings in conformity with the direction of the court. The court may, in advance of judgment and upon a sufficient showing of fact, remand the case to the board.

(7) Appeals may be taken from the circuit court to the Court of Appeals.

(8) Appeals to the circuit court and to the Court of Appeals shall have preference in trial over all other civil actions.

Section 12. Whereas the public welfare demands that the benefits of planning and zoning be made available to all of the Commonwealth's counties at the earliest possible time, an emergency is hereby declared to exist, and this Act shall become effective immediately upon its passage and approval by the Governor.

Committee on Education reported SB 28 with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 28, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 157.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before July 1 of each year the Department of Revenue shall determine the aggregate assessed value of all property subject to assessment for school tax purposes, and shall determine the percentage the equalized value of property in each district is of the total equalized value of all property in the Commonwealth subject to taxation for school purposes and shall certify such information to the Superintendent of Public Instruction for use in determining the required local tax effort for each district. If such assessment has not become final by July 1 of any year, the Department of Revenue shall, on the basis of other information as may be available, make an estimate of the assessment of all property subject to local school tax in each school district and the estimate shall be used in lieu of the aggregate assessed value.

(2) In determining the required local tax effort for districts which participate in the public school foundation program fund, including the capital outlay allotment, the Superintendent of Public Instruction shall divide the aggregate assessed value of all property in the Commonwealth subject to taxation for school purposes by one hundred and multiply the quotient thereof by one dollar and ten cents. The product thereby obtained shall be multiplied by each district's percentage of the total equalized value of all property in the Commonwealth subject to taxation for school purposes. In determining the required local tax effort for districts which do not participate in the capital outlay allotment of the public school foundation program fund, the multiplier shall be one dollar.

(3) Any district's levy shall be at such rate as is necessary to provide the required local tax effort.

(4) No funds received as payment in lieu of property taxes from the federal government, Tennessee Valley Authority, or other federal agency shall be added to the district's required local tax effort.

Committee on Ky. Statutes #2 reported **SB 21** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 21, AN ACT relating to private corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 271.395 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every domestic corporation shall keep at its registered office a share register or duplicate giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and class of shares held by each, and the dates on which they acquired the same.

(2) Every domestic corporation shall keep appropriate and complete books of accounts, and records of the proceedings of shareholders and directors.

(3) A corporation may open a share register in any state of the United States. It may employ an agent to keep such register, and to record transfers of shares therein, in this or any other state, or both, and the acts of such agent shall be binding on the corporation. The duties and liabilities of such agent shall be such as may be agreed to by the corporation.

(4) Every shareholder shall have a right to examine, in person or by agent or attorney, at any reasonable time or times, the share register or duplicate, and the books of account and records of the proceedings of the shareholders and directors, and to make extracts therefrom.

Calendar

SB 33, SB 35, HR 8, SB 34 were taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in the Orders of the Day.

Orders of the Day

SB 1 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that **SB 1** be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 1.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Raney, Richmond, Ware, White. Nays 1—Garnett. **SB 1** was passed and the title agreed to.

Senator Duffy moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Jackson moved the adoption of **SR 13.** Agreed.

SR 13, A RESOLUTION requesting and petitioning the United States Corps of Engineers to hold a public hearing and make preliminary survevs for construction of the Rockcastle Dam.

WHEREAS, it is common knowledge that industry and flood control are desperately needed in southeastern Kentucky in general and in Jackson, Rockcastle, Laurel, and Madison Counties in particular; and

WHEREAS, due to recent flooding in this area the need for flood control was emphatically demonstrated; and

WHEREAS, an industrial survey in Jackson and Laurel counties proves the lack of a sufficient water supply for industries; and

WHEREAS, the citizens of the counties involved have shown a marked interest in alleviating these conditions; and

WHEREAS, a proposed dam site on the Rockcastle River has been suggested and maps have been prepared showing this proposed site together with high water elevation and drainage area;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the United States Corps of Engineers are requested and petitioned to hold a public hearing and make preliminary surveys of this much needed dam at an early date; and that should the preliminary survey and public hearing prove the proposed dam to be a feasible project, that the necessary steps be taken as soon as practical to carry the project through to its final completion.

Section 2. That a copy of this resolution be sent to each United States Senator and Representative from Kentucky and the United States Corps of Engineers.

SB 2, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time.

Senator Duffy moved that the Committee Substitute be adopted. Agreed.

Senator Duffy moved the Previous Question on **SB 2**. Agreed.

SB 2, AN ACT relating to the State Board of Health, and amending KRS 211.040.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 211.040 of the Kentucky Revised Statutes is amended to read as follows:

There shall be a State Board of Health, consisting of ten members, each of whom must be licensed in this state to practice the profession required of him by this section as a qualification for membership. The Board shall be a continuation of the board appointed under Chapter 120 of the acts of 1920. Nine of the members shall be appointed by the Governor, by and with the advice of the Senate. The Commissioner of Health shall constitute the tenth member. One member of the board shall be a registered pharmacist, and shall be appointed from a list of three names submitted by the Kentucky Pharmaceutical Association. One member shall be a licensed dentist and shall be appointed from a list of three names submitted by the Kentucky Dental Association. One member shall be a licensed osteopath and shall be appointed from a list of three names submitted by the Kentucky Osteopathic Association. All other members shall be licensed medical physicians and shall be appointed from a list of three names submitted for each position by the Kentucky State Medical Association. If the board elects one of its members as Commissioner of Health, the Governor shall appoint another member to complete the full number of the board. No member of the board, except the Commissioner of Health, shall be a stockholder or member of the faculty or board of trustees of any medical or dental college.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Raney, Richmond, Ware, White. Nays 0. **SB 2**, was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 2** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 27 taken from Orders of the Day. Senator McCann moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Rural Roads and Highways: **HR 9.**
Agriculture and State Fair: **HR 24, SB 56.**
Revenue and Taxation: **SR 15.**
Courts and Legal Procedure: **SB 49, SB 50.**
Judiciary and Judicial Council: **SB 51.**
Municipalities: **SB 52, SB 53, SB 54, SB 55.**
Higher Education: **SB 57.**
Insurance: **SB 58, SB 59.**
Ky. Statutes #1: **SB 60.**

Senator Ware moved that the Senate adjourn until 7 p.m., January 25. Agreed.

MONDAY, JANUARY 25, 1960

SEVENTEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Herbert Ward Jackson of the Episcopal Church of the Ascension of Frankfort.

The roll was called. All present except Senators Conley, McCann and Richmond, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for January 22 dispensed with and the same approved on motion of Senator Ware.

House Message

Announcing passage of **HB 30, HB 42, HB 62, SR 14.**

Introduction of Bills and Resolutions

SB 69, by Senator Logan: AN ACT relating to fees allowed witnesses.

SB 70, by Senator Blake: AN ACT relating to rural highways.

SB 71, by Senator Blue: AN ACT relating to the Ohio River Bed.

SB 72, by Senator Blue: AN ACT relating to exceptions from the limitations on the maximum debt to banks and trust companies.

SB 73, by Senator Blue: AN ACT relating to investment of bank funds.

SB 74, by Senator Blue: AN ACT relating to investment by insurers.

SB 75, by Senator Blue: AN ACT relating to investments by fiduciaries.

SB 76, by Senator Ware: AN ACT relating to partnerships and other incorporated associations.

SB 77, by Senator Miller: AN ACT relating to the construction and maintenance of aircraft runways in conjunction with the construction and maintenance of public highways.

SB 78, by Senator Hamilton: AN ACT relating to income tax.

SR 18, by Senator Johnson: A CONCURRENT RESOLUTION memorializing the Congress of the United States on the subject of tobacco.

SR 19, by Senators Hamilton and Young: A RESOLUTION authorizing the charitable, penal and reformatory institutions committee to make field inspections.

Report of Committees

Committee on Ky. Statutes #1 reported **SB 60** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 60, AN ACT relating to compensation of public officers and employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.640 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, commissioners of the Court of Appeals, employes of the General Assembly, including employes of the Legislative Research Commission, members of boards and commissions, and presidents and employes of the University of Kentucky and the state colleges, the Department of Personnel shall prepare a schedule of compensation, payable out of the State Treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules, the Department of Personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 18.010 to 18.070. No such schedule shall become effective until it has been approved by the Governor

(2) The Governor shall set the compensation payable out of the State Treasury to each office or position in the state service hereinafter named but such compensation shall not exceed the maximum sums listed herein:

(a) Commissioner of Conservation, Commissioner of Economic Development, Commissioner of Economic Security, Commissioner of Finance, Commissioner of Health, Commissioner of Highways, Commissioner of Mental Health, Commissioner of Public Relations, Commissioner of Public Safety, Commissioner of Revenue, Commissioner of Banking, Commissioner of Insurance, Commissioner of Motor Transportation, Commissioner of Personnel. Commissioner of Welfare, $12,000;

(b) Adjutant General, Administrator of Distilled Spirits Unit, Administrator of Malt Beverages Unit, Chief of the Department of

Mines and Minerals, Commissioner of Aeronautics, Commissioner of Alcoholic Beverage Control, Commissioner of Fish and Wildlife Resources, Commissioner of Industrial Relations, Director of the Kentucky Crippled Children's Commission, Executive Director of the State Tuberculosis Sanatoria Commission, Manager of the Kentucky State Fair, Reviser of Statutes, Chairman of the Public Service Commission, $10,000;

(c) Members of the Public Service Commission of Kentucky, other than the Chairman, $9,000; members of the Workmen's Compensation Board, the provisions of KRS 64.660 to the contrary notwithstanding, and heads of statutory departments and agencies other than those named in paragraphs (a) and (b) of this subsection, $7,500;

(3) The compensation payable out of the State Treasury to officers and employes subordinate to any officer or position listed in subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the Public Service Commission of Kentucky whose compensation shall be fixed, within constitutional limits, by the Department of Personnel with the approval of the Governor as provided in subsection (1) of this section.

(4) The compensation payable out of the State Treasury to any subordinate officer or employe in any department, agency, board or commission of the state government not covered by subsection (3) of this section, except elective officers, their assistants and employes, shall not exceed $7,500 per annum, provided however that Doctors of Veterinary Science may be paid not to exceed $10,000 per annum.

(5) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

Section 2. Whereas proper compensation of public officers is a matter of vital concern to the efficient operation of state government, an emergency is declared to exist, and this Act shall take effect immediately upon its passage and approval by the Governor.

Calendar

SB 12, SB 38, SB 28, SB 21 were taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

Senator Johnson moved the adoption of **SR 17.** Agreed.

SR 17, A CONCURRENT RESOLUTION commending Don S. Sturgill for his accomplishments while Commissioner of Public Safety.

WHEREAS, Don S. Sturgill, as Commissioner of Public Safety, has distinguished his administration with many outstanding accomplishments, including:

1. A state Police retirement plan, calling for mandatory retirement at 55, with accrued benefits.

2. A 14 per cent increase in the basic starting salary of state troopers, plus a reduced work week for the entire force.

3. Establishment of a modern State Police Academy and Criminal Photographic Laboratory.

4. An increase of 25 per cent in the authorized strength of the State Police.

5. The enactment of legislation prohibiting drag racing on public highways.

6. Enactment of legislation to permit trial of juveniles in traffic courts for traffic offenses.

7. The passage of a bill prohibiting school busses from loading or unloading in no-passing zones.

8. Adoption of a driver improvement-point system in order to rid the highways of repeated violators of safety laws.

9. Central issuance of drivers' licenses, designed to eliminate dangerous and ineligible drivers from the highways.

10. Establishment of a voluntary motor vehicle safety inspection program in 45 counties.

11. Introduction to the public of numerous programs designed for safety education; and

WHEREAS, Don S. Sturgill's vigorous, unrelenting, courageous, and unselfish resistance to political and outside influence has assured for the Commonwealth law enforcement and protection performed with the highest standards of honesty, fairness, and morality; and

WHEREAS, Don S. Sturgill has modernized the enforcement and administration of safety laws and thereby has brought about greater efficiency and economy within the Department; and

WHEREAS, Don S. Sturgill has inspired the cooperation of local police officials, county and circuit clerks thereby making possible a more effective state-wide safety and law enforcement program; and

WHEREAS, Don S. Sturgill, through his conscientious and determined efforts to inform the public about the programs of his Department and the importance of safety, has developed a better understanding of the operations of the State Police and has created a higher degree of respect for its personnel; and

WHEREAS, Don S. Sturgill's continued promotion for adherence to the rules of the road and his persistent demand for rigorous law enforcement has prevented countless injuries and so reduced the number of fatalities in the Commonwealth during his administration to establish a national record; and

WHEREAS, Don S. Sturgill, one of Kentucky's outstanding young leaders, has expressed and made known his intention to leave public service and to resume his private pursuits.

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Senate and House of Representatives do hereby bestow their commendation upon Don S. Sturgill for his meritorious accomplishments as Commissioner of Public Safety and express their sincerest appreciation for his efforts in behalf and for the well being of all the people within the Commonwealth.

Section 2. That the Clerk of the Senate cause a copy of this Resolution to be transmitted to Don S. Sturgill.

SB 27 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 33 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **SB 33**. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 0. **SB 33** was passed and the title agreed to.

Senator Overbey moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 35, HR 8, SB 34, taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Reference of Bills

The President announced reference of the following bills:
Ky. Statutes #1: **SB 61.**
Courts and Legal Procedure: **SB 62.**
Ky. Statutes #2: **SB 63, SB 68.**
Agriculture and State Fair: **SB 64, SB 65.**
Criminal Law: **SB 67.**

Senator Ware moved that the Senate adjourn until twelve noon, January 26. Agreed.

TUESDAY, JANUARY 26, 1960

EIGHTEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Herbert Ward Jackson of the Episcopal Church of the Ascension, Frankfort.

The roll was called. All present except Senators Johnson and McCann, who were granted leave of absence on motion of Senator Blue.

Reading of the Journal for January 25 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 79, by Senators Bassett, Kelly and Byers: AN ACT relating to coroners.

SB 80, by Senator Derickson: AN ACT relating to veterinarians.

SB 81, by Senators C. H. Davis, Young, Kelly and Hehl: AN ACT relating to voting machines.

SB 82, by Senator Ware: AN ACT relating to sanitation districts.

SB 83, by Senator White: AN ACT relating to taxation.

SB 84, by Senator White: AN ACT relating to gasoline on which tax is refunded.

SB 85, by Senator Bassett: AN ACT relating to school textbooks.

SR 20, by Senators Bishop, Byers, Kelly and Hubbard: A RESOLUTION relating to public assistance.

SR 21, by Senators Francis and Jackson: A RESOLUTION memorializing the Interstate Commerce Commission to render a speedy decision on the matter of Kentucky time and standards.

Report of Committees

Committee on Rural Roads and Highways reported **HR 9** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 9, A JOINT RESOLUTION directing the Department of Highways to install more signs on the public highways, which inform the public of the offense of littering the public highways.

WHEREAS, Section 433.750 of the Kentucky Revised Statutes, in part, provides that any person who deposits, throws or leaves any trash, debris or litter upon any public highway without having first obtained the permission in writing of the engineer having charge of the maintenance of the highway shall be fined not less than one dollar nor more than twenty-five dollars; and

WHEREAS, through inadvertance, trash, debris and litter is being deposited, thrown or left upon the public highways;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the Department of Highways is directed to install more signs on the public highways which inform the public of the offense of littering the public highways.

Committee on Insurance reported **SB 23** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 23, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 304.099 of the Kentucky Revised Statutes is amended to read as follows:

Except as provided in KRS 304.103, all policies covering subjects of insurance located or to be performed in this state which are placed by or through a licensed non-resident agent shall be countersigned by a duly licensed resident agent of the insurer.

Committee on Motor Vehicles, Commerce and Common Carriers reported **SB 48** with the expression of opinion that same should not pass.

Committee on Motor Vehicles, Commerce and Common Carriers reported **SB 41** with the expression of opinion that same should pass with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 41, AN ACT relating to the licensing, recording of liens and registration of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever a motor vehicle that has been previously registered changes ownership, the registration plate shall remain upon such motor vehicle as a part of it until the expiration of the registration year.

(2) No person shall sell or trade any motor vehicle without delivering to the county clerk of the county in which the sale or trade is made the registration receipt issued on the motor vehicle for the current year and the bill of sale.

(3) Upon delivery of the registration receipt and the bill of sale to the county clerk of the county in which the sale or trade was made, the seller shall pay to the county clerk a transfer fee of one dollar, which shall be remitted to the department. The county clerk shall thereupon issue to the purchaser a transfer of registration bearing the same data and information as contained on the original registration receipt, except the change in name and address. The seller shall pay to the county clerk a fee of one dollar for his services.

(4) Whenever a county clerk issues to a purchaser a transfer of registration in a county other than the one in which the motor vehicle was originally registered, the clerk shall immediately mail one copy of the transfer of registration to the clerk of the county of original registration.

(5) If the owner junks or otherwise renders a motor vehicle unfit for future use, he shall deliver the registration plate and registration receipt to the county clerk of the county in which the motor vehicle is junked. The county clerk shall immediately return the plate and receipt to the department. The owner shall pay to the county clerk fifty cents for his services.

(6) A licensed motor vehicle dealer shall not be required to pay the transfer fee provided by this section, but shall be required to pay the county clerk's fee provided by this section.

Section 2. Section 186.195 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the owner of a motor vehicle, properly registered in this state, executes a lien thereon, he shall deliver the registration receipt to the secured party. The secured party shall, within ten days thereafter, present such receipt, together with the lien instrument and proper fees, to the county clerk of the county in which the motor vehicle is registered for recording in accordance with KRS 382.670 and KRS 186.040.

(2) The county clerk shall, within five days, mail the registration receipt with the lien recorded thereon to the owner, and shall also record the lien on the copy of the registration receipt on file in the county clerk's office.

(3) Whenever a lien instrument affecting a motor vehicle is presented to a county clerk for recording in any county other than the one in which the motor vehicle is registered, the county clerk shall, in addition to the other requirements of this section and the requirements of KRS 382.670, mail a notice of the recorded lien to the clerk of the county in which the motor vehicle is registered on a form

which the Department of Revenue shall supply. Upon receipt of said notice, the county clerk shall record the lien on the copy of the registration receipt on file in the county clerk's office.

(4) (a) When a chattel mortgage, or other instrument construed as such in this state, is assigned or discharged pursuant to the law, the owner shall present the registration receipt to the secured party who shall record thereon in language prescribed by the department that the lien has been assigned or discharged. The recording shall show the date thereof and shall be signed by the secured party or his authorized agent and acknowledged before an officer authorized to administer an oath.

(b) When a discharge or assignment has been recorded on the owner's registration receipt as provided in (4) (a), the owner may present the registration receipt to the county clerk who shall record the information on the copy of the receipt which contains the lien information on file in the county clerk's office, for which services the owner shall pay the clerk a fee of twenty-five cents.

(5) For failure to present the registration receipt and record the lien instrument within the time prescribed, the secured party shall pay a penalty of two dollars to the county clerk as a prerequisite for recording the lien information on the registration receipt. The penalty, less the county clerk's commission of five percent, shall be remitted to the department.

(6) No lien executed prior to January 1, 1960, shall be recorded on the registration receipt issued by the county clerk.

Section 3. Section 186.230 of the Kentucky Revised Statutes is amended to read as follows:

The county clerk shall see that KRS 186.020 to 186.260 in his county are enforced. In so doing, he shall:

(1) Take all applications as provided in KRS 186.020 to 186.260 except those in KRS 186.090.

(2) Issue the receipts on blanks furnished by the department.

(3) Collect the fees due the state.

(4) Distribute the registration plates furnished by the department and keep a complete public record of all registrations for his county, in his office.

(5) Report and remit each Monday to the department all moneys collected during the previous week, together with a duplicate of all receipts issued by him during the same period. He shall make all checks payable to the State Treasurer. Upon the failure of a clerk to report and remit for more than seven days after the report and remittance are due, he shall pay a penalty of ten percent on the amount of money due in addition. All penalties collected under this provision shall be paid into the State Treasury as a part of the revenue collected under KRS 186.020 to 186.260.

(6) The clerk shall mail to the Department of Public Safety duplicate of all receipts issued by him within two weeks of the date of issuance.

(7) Account to the department for all registration plates and receipt forms consigned to him, at such time or times as the department may direct, and give the department timely notice of a probable deficiency of plates or other supplies.

Section 186.235 of the Kentucky Revised Statutes is amended to read as follows:

No motor vehicle, not previously registered in this state, other than a new motor vehicle sold by a dealer licensed in this state, shall be registered by the county clerk unless such vehicle shall have been inspected by a peace officer of this state, except in counties containing a city of first class where the inspection shall be made by the sheriff. Such officer inspecting the vehicle shall make a record of inspection upon the inspection form prescribed by the department. The applicant shall pay the officer a fee of one dollar for making the inspection.

Section 4. Section 186.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 186.020 to 186.070, 186.110, 186.130 to 186.180, 186.210, 186.230, 186.250 or 186.655 to 186.680 shall be fined not less than ten nor more than one hundred dollars for each offense.

(2) Any person who violates any of the provisions of KRS 186.190, 186.200 or 186.220 shall be fined not less than ten dollars nor more than two thousand dollars or imprisoned for not more than one year, or both.

(3) Unless another penalty is provided by law, any person who violates any of the provisions of KRS 186.400 to 186.640 shall be fined not less than two dollars nor more than five hundred dollars or imprisoned for not more than six months, or both.

(4) Any clerk or judge failing to comply with subsection (1) of KRS 186.550 shall be subject to a penalty of one hundred dollars which shall accrue to the state and may be recovered with costs of the suit in a civil action brought by the department.

(5) If it appears to the satisfaction of the trial court that any offender under KRS 186.400 to 186.640 has a driver's license but in good faith failed to have same on his or her person or misplaced or lost same, the court may, in its discretion, dismiss the charges against the defendant without fine, imprisonment or cost.

(6) Any person who steals a motor vehicle registration plate shall be guilty of a felony and shall be confined in the penitentiary

for not less than one nor more than five years. Displaying a cancelled registration plate on a motor vehicle shall be prima facie evidence of guilt under this section.

Amend printed copy of **SB 41** on page 5, section 186.235, line 30 through and including line 41.

Section 186.235 of the Kentucky Revised Statutes is amended to read as follows:

No motor vehicle, not previously registered in this state, other than a new motor vehicle sold by a dealer licensed in this state, shall be registered by the county clerk unless such vehicle shall have been inspected by the sheriff of the county or his deputy. Such sheriff inspecting the vehicle shall make a record of inspection upon the inspection form prescribed by the department. The applicant shall pay the sheriff a fee of one dollar for making the inspection.

Committee on Kentucky Statutes #1 reported **SB 32** with the expression of opinion that same should pass by way of committee substitute. Committee Substitute for **SB 32** read at length for the first time and ordered placed in the Calendar.

SB 32, AN ACT relating to the Board of Claims, and declaring an emergency.

WHEREAS, the present statutes requiring the appointment of separate and independent officers and employes of the Board of Claims have created a situation which is wasteful and burdensome to the Commonwealth; and

WHEREAS, the same functions can be performed by the members, secretaries, and employes of the Workmen's Compensation Board, which is established to handle cases procedurally similar to those processed by the Board of Claims,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 44.070 of the Kentucky Revised Statutes is repealed and re-enacted as follows:

(1) A Board of Claims, composed of the members of the Workmen's Compensation Board as hereinafter provided, is created and vested with full power and authority to investigate, hear proof, and to compensate persons for damages sustained to either person or property as a proximate result of negligence on the part of the Commonwealth, any of its departments or agencies, or any of its officers, agents or employes while acting within the scope of their employment by the Commonwealth or any of its departments or agencies; provided,

however, regardless of any provision of law to the contrary, the Commonwealth, its departments and agencies, and its officers, agents and employes, while acting within the scope of their employment by the Commonwealth or any of its departments or agencies, shall not be liable for pain or suffering, and compensation shall not be allowed, awarded or paid for pain or suffering. Except as hereinafter provided the board shall be independent of all agencies and departments of the Commonwealth except as provided in this Act.

(2) The board shall be composed of five attorneys who are members of the Workmen's Compensation Board and who have been appointed and hold office under the provisions of KRS 342.215 and 342.220. The members shall not be entitled to additional compensation for their services on the Board of Claims.

(3) The Governor shall designate a member of the board to serve as chairman for a term of four years. Any vacancy in the chairmanship shall be filled by the Governor. No member shall, at the same time, serve as chairman of the Workmen's Compensation Board and as chairman of the Board of Claims.

(4) The executive secretary, referees and employes of the Workmen's Compensation Board, without additional compensation, shall be ex-officio the executive secretary, referees and employes respectively of the Board of Claims.

(5) Regardless of any provision of law to the contrary, the jurisdiction of the board is exclusive, and a single claim for the recovery of money or a single award of money shall not exceed ten thousand dollars, exclusive of interest and costs.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

Hearings shall be conducted in the county wherein the claim accrues, provided, however, that the parties may, with the approval of the board, agree upon a place not within such county for the conduct of hearings.

Section 3. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The Board of Claims, or any of its members, or any of its referees, shall hear the parties at issue and their representatives and witnesses and shall determine the dispute. The award or order shall be made within thirty days after final submission, except in cases involving large or complicated records or unusual questions of law, and shall be made within ninety days after final submission in any event. The order or award, together with a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue shall be filed with the record of proceedings and a copy of the order or award shall immediately be sent to the parties in dispute.

(2) If an application for review is made to the board within fourteen days from the date of the order or award, the full board, if the first hearing was not held before the full board, shall, as soon as practicable, review the evidence, or, if deemed advisable, hear the parties at issue, their representatives and witnesses, and shall make an order or award and file it as specified in subsection (1) above.

Section 4. No part of the maintenance fund of the Workmen's Compensation Board shall be diverted or used to accomplish the purpose of this Act. Any additional expenses which this Act may impose on the Workmen's Compensation Board shall be paid out of the appropriations from the General Fund.

Section 5. Section 44.100 of the Kentucky Revised Statutes is repealed and re-enacted to read as follows:

(1) The Assistant Attorneys General assigned to defend claims filed with the board shall receive no additional compensation for the performance of their duties before the board; provided, however, members of the board, Assistant Attorneys General and all employes acting for the board shall be recompensed for all necessary and actual expenses they may incur incident to their duties for or before the board. All awards made by the board against the Department of Highways, the Department of Motor Transportation, and the Division of State Police of the Department of Public Safety, shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All awards made by the board against other departments or agencies of the state, which are not maintained by appropriations out of the General Fund, shall be paid out of the funds created or collected for the maintenance and operation of such departments or agencies respectively, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All amounts necessary to pay awards made by the board against all other departments or agencies of the Commonwealth shall be paid out of the General Fund of the Commonwealth, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All costs incident to the operation of said board shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer; provided, however, in all cases wherein claims are filed against the Commonwealth or any of its departments or agencies other than the Department of Highways, the Department of Motor Transportation, and the Division of State Police of the Department of Public Safety, the clerk of the board shall tax as costs of the action the same fees allowed for corresponding services in actions instituted in the circuit court, and such costs, when collected, shall be covered into the State Treasury to the credit of the State Road Fund. The board of claims shall have the power and authority to determine the right of any party to an action before it to recover of the opposing

party the costs incurred by him or it in such action; and such decision shall not be subject to appeal.

Section 6. KRS 44.120 is amended to read as follows:

An award shall be made only after consideration of the facts surrounding the matter in controversy, and no award shall be made unless the board is of the opinion that the damage claimed was caused by such negligence on the part of the Commonwealth or its agents as would entitle claimant to a judgment in an action at law if the state were amenable to such action.

Section 7. Section 44.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Appeals may be taken to the circuit court of the county wherein the hearing was conducted from all awards of the board where the amount in controversy, exclusive of interest and costs, is over one hundred dollars. Appeals shall be taken within thirty days from the rendition of the award, and the method of appeals shall follow as nearly as may be the Rules of Civil Procedure, except the Commonwealth shall not be required to execute bond.

(2) On appeal no new evidence may be introduced, except as to fraud or misconduct of some person engaged in the hearing before the board. The court sitting without a jury shall hear the cause upon the record before it, and dispose of the appeal in a summary manner, being limited to determining: Whether or not the board acted without or in excess of its powers; the award was procured by fraud; the award is not in conformity to the provisions of KRS 44.070 to 44.160; and whether the findings of fact support the award. The court shall enter its findings on the order book as a judgment of the court, and such judgment shall have the same effect and be enforceable as any other judgment of the court in civil causes.

Section 8. All cases pending on the effective date of this Act, on the docket of the Board of Claims in existence prior to such date, shall, on the effective date of this Act or immediately thereafter, be transferred to the Board of Claims created by this Act. All records and other physical properties shall be transferred at the same time.

Section 9. WHEREAS, the Board of Claims as presently constituted is an expensive burden upon the general fund, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

Committee on Ways and Means reported **SB 40** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 40, AN ACT relating to limited partnerships.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 362.020 of the Kentucky Revised Statutes is amended to read as follows:

The persons desiring to form a limited partnership shall sign a written statement, showing the name and place of residence of each partner, the name or style of the firm, who are general and who are special partners, the amount contributed by each general partner, the amount of cash and a description of and the agreed value of other property contributed by each special partner, the general nature of the business, the place or places at which the business is to be transacted and the duration of the partnership. One or more of the general partners shall verify by affidavit the truth of the statement as to the cash or value of other property paid in by any special partner.

Section 362.040 of the Kentucky Revised Statutes is amended to read as follows:

A limited partnership may consist of one or more persons as general partners, with the powers and responsibilities of partners, and of one or more persons as special partners who, having paid in as capital the cash or other property set forth in the written statement prescribed in KRS 362.020, shall not be personally liable for the debts or responsibilities of the firm, except as provided in this chapter, and shall not have any power to bind the firm or manage its affairs. The contributions of a special partner may be cash or other property, but not services.

Committee on Higher Education reported **SB 37** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 37, AN ACT relating to higher education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act shall be known as the Higher Education Assistance Act.

Section 2. The purpose of this Act is to improve the educational opportunities of persons who are residents of this Commonwealth, and who are attending or plan to attend colleges in this state, or elsewhere, by lending funds to such persons, or guaranteeing the loan of funds to them, to assist them in meeting their expenses of higher education in accordance with the provisions of this Act.

Section 3. The Council on Public Higher Education in Kentucky may:

(1) Lend money, or guarantee the loan of money upon such terms and conditions as the board may prescribe to residents of this Commonwealth who are attending or plan to attend universities or colleges in the Commonwealth or elsewhere, to assist them in meeting their expenses of higher education; provided, however, that no person shall receive any loan or loans or guarantee of any loan or loans in excess of one thousand dollars for any school year, or a total in excess of five thousand dollars.

(2) Accept gifts or grants from any sources and to enter into contracts or other transactions with any federal agency.

(3) Enter into contracts with institutions of higher education upon such terms as may be agreed upon between the Council and the institution, to provide for the administration by the institutions of any loan or guarantee of loan made by the Council, including applications therefor and repayment thereof.

(4) Adopt rules and regulations, not inconsistent with law, governing the application for and the granting, administration, and repayment of loans or the guarantee of loans made by the Council, and governing any appropriate activity of the Council.

(5) Perform any other acts necessary or appropriate to carry out effectively the objects and purposes of this Act.

Section 4. Any person who is otherwise qualified is deemed to be of full legal capacity for all purposes of this Act regardless of age.

Section 5. Any domestic corporation or association organized for the purpose of carrying on business in the Commonwealth, or any person who makes a contribution to the Council shall be allowed to deduct the contribution in computing the net taxable income of such person, corporation or association for purposes of any income or franchise tax imposed by the Commonwealth or any political subdivision thereof.

Section 6. (1) There shall be a special revolving trust and agency fund in the Treasury of the Commonwealth to be known as the Higher Education Assistance Fund to which shall be accredited all funds obtained for the purposes of this Act and all other deposits and repayments, both principal and interest, involved in administration of this Act.

(2) All loans and all costs of administration of this Act shall be paid out of the Fund. Payments shall be made in the same manner as other state expenditures, except that they shall be subject to the approval of the Department of Finance only as to availability of funds.

Section 7. The Council shall make an annual report of its condition to the Governor and the General Assembly on or before June 1 of each year.

Section 8. Upon the dissolution of the Council or the cessation of its activities, all properties and moneys shall revert to the common school fund.

Calendar

SB 60, taken from the Calendar and ordered read at length for the second time. Senator Ware moved that **SB 60** be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 27 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HR 8 taken from Orders of the Day. Senator Craft moved that **HR 8** be adopted. Agreed.

SB 34 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 12 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 12**. Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White, Young; Nays 0. **SB 12** was passed and the title agreed to.

SB 38 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **SB 38**. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White, Young; Nays 0. **SB 38** was passed and the title agreed to.

Senator Kelly moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 28 taken from Orders of the Day and ordered read at length for the third time. Senator Melton moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **SB 28.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Blake, Brand, Blue, Bonn, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White, Young; Nays 0. **SB 28** was passed and the title agreed to.

Senator Melton moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 21 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

House Message

Announcing passage of **HB 7, HB 12, HB 35, HR 27, HR 28.**

Senator Ware moved that the Senate do now recess for fifteen minutes. Agreed. At the appointed hour the President called the Senate to order.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Ky. Statutes #2; **HB 30, SR 18.**
Constitutional Amendments: **HB 62.**
Appropriations: **SR 19, SB 66, SB 70.**
Courts and Legal Procedure: **SB 69, SB 76.**
Revenue and Taxation: **SB 71, SB 78.**
Banks and Banking: **SB 72, SB 73, SB 74, SB 75.**
Aviation: **SB 77.**

Senator Bassett moved that the rules be suspended for the purpose of making Committee Reports. Agreed.

Report of Committees

Committee on Public Utilities reported **SB 29, HR 11** with the expression of opinion that same should not pass.

Senator Ware moved that the Senate adjourn until twelve noon January 27. Agreed.

WEDNESDAY, JANUARY 27, 1960

NINETEENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Herbert Ward Jackson of the Episcopal Church of the Ascension, Frankfort.

The roll was called. All present except Senators Bonn, Duncan, McCann and Overbey, who were granted leave of absence on motion of Senator Garnett.

Reading of the Journal for January 26 dispensed with and the same approved on motion of Senator Garnett.

Introduction of Bills

SB 86, by Senator Martin: AN ACT relating to Public Utilities

SB 87, by Senator Miller: AN ACT relating to finance and revenue of cities of the first class.

SB 88, by Senator White: AN ACT relating to motor vehicle registration.

SB 89, by Senator Johnson: AN ACT relating to penalties for violation of laws relating to motor vehicle operation and amending 189.990 of the Kentucky Revised Statutes.

SB 90, by Senator Derickson: AN ACT relating to the licensing and regulation of contractors for works projects and the letting and performance of contracts for such projects.

Reports of Committees

Committee on Municipalities reported **SB 52**, **SB 53**, **SB 54** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 52, AN ACT relating to pension funds of cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of Section 90.400 of the Kentucky Revised Statutes is amended to read as follows:

The city may create a board for the pension fund and designate trustees of that board, and may fix the powers of the trustees, determine the eligibility of employes or their dependents to a pension or other benefit, and may provide a monthly allowance for employes eligible for a pension.

SB 53, AN ACT relating to qualification of applicants for civil service in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Kentucky Revised Statutes 90.330 is hereby amended so that when amended the same shall read as follows:

(1) The civil service commission shall examine all applicants as to their physical and mental qualification for the particular classification wherein they seek employment. To be eligible for examination a person must not be less than twenty-one nor more than forty-five years of age, a law-abiding citizen of sobriety and integrity, and must be able to read and write and understand the English language.

(2) No person shall be appointed to a position under civil service until that person is a resident of that city.

SB 54, AN ACT relating to parking meters in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 94.740 of the Kentucky Revised Statutes is amended to read as follows:

Cities of second class may provide and maintain parking meters.

(1) The governing body of any city of the second class may enact ordinances providing for the acquisition, establishment, erection, maintenance and operation of a system of parking meters or other similar mechanical devices to regulate and control vehicular traffic in the city, said meters or devices requiring a deposit of money, the amount thereof to be determined by the legislative body of the city, from those who park vehicles for stipulated periods of time in certain areas in the city in which the congestion of vehicular traffic is such that public convenience and safety require such regulation.

(2) The proceeds derived from the use of such parking meters or other similar mechanical devices shall be used: First, for the purpose of the acquisition, establishment, erection, maintenance and operation of the system; second, for the purpose of making the system effective; and third, for the expenses incurred by and throughout the city in the regulation and limitation of vehicular parking, traffic relating to parking, traffic safety, devices, signs, signals, markings, policing, lights, traffic surveys and safety programs.

(3) Nothing contained in this section shall prohibit the governing body of any city of the second class from employing any and all other ways and means to regulate and control vehicular parking in the city, either in conjunction with a system of meters or devices or exclusive and independent thereof.

Committee on Courts and Legal Procedure reported **SB 50** with the expression of opinion that same should pass with committee amendment attached thereto.

Amendment is as follows:

"Amend printed copy of Senate Bill 50, on page 2, section 3, lines 34, 35 and 36, by striking from Senate Bill 50 on page 2, the entire paragraph of subsection B of section 3, and in lieu thereof providing "a sum not to exceed."

Read at length for the first time and ordered placed in the Calendar.

SB 50, AN ACT relating to County Law Libraries; permitting an alternate method of financing a County Law Library in a county containing a city of the second class as well as counties containing a city of the third or fourth class and relating to Chapter 172 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 172.180 of the Kentucky Revised Statutes is amended to read as follows:

Any county containing a city of the second, third or fourth class may adopt the following method of financing the cost of operation and maintenance of the county law library, in lieu of the method set out in KRS 172.130 or KRS 172.170:

(1) Upon petition of three-fourths of the duly licensed and practicing attorneys the duly licensed and practicing attorneys resident in the county addressed to the circuit judge of the county, to the effect that they, as officers of the various courts of the county, recognized the need of a more adequate county law library, there being attached to said petition an attested copy of a resolution of the fiscal court of the county endorsing the adoption of this optional method of financing the cost of operation and maintenance of the county law library, the circuit judge shall enter an order upon the official order book of the circuit court of the county noting that said optional plan for the financing of the cost of operation and maintenance of the county law library has been adopted.

(2) The order shall set forth the names of each duly licensed and practicing attorney signing said petition, and the county court order book and page number containing the resolution of the fiscal court.

(3) The order shall direct the following:

(a) That the clerk of the circuit court shall forthwith cause to be delivered to the clerk of every court in the county, including quarterly, county, justice's, and city or police courts, a certified copy of the order;

(b) That upon receipt of the order by the clerks of said courts there shall be taxed as costs in all actions, except examining trials and felony trials, thereafter instituted in said courts the following fee, which shall be designated as county law library fee: in quarterly, county, justice's, and city or police courts, the sum of fifty cents; in circuit courts, on all civil actions, the sum of one dollar; and on all misdemeanor trials, the sum of fifty cents; and

(c) That the clerks of the various courts shall at the end of each month, pay all sums collected as county law library fee in their respective courts, during the preceding month, to the trustees of the county law library, and the clerks shall make a full report with said payment, and receive a receipt for all payments.

Committee on Compensation for Industrial Injuries reported **SB 26** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 26, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection 3 of KRS 342.316 is amended to read as follows:

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the Workmen's Compensation Board within one year after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the Workmen's Compensation Board within one year after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the disease or the death of the employe, and its cause was known to the employer.

Committee on Courts and Legal Procedure reported **SB 76** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 76, AN ACT relating to partnerships and other unincorporated associations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A partnership or other unincorporated association may sue or be sued by the usual or ordinary name which it has assumed, or by which it is known. In such case it is not necessary to allege or prove the names of its individual members. Any judgment rendered in such an action against a partnership or other unincorporated association shall be enforceable only against the property of the partnership or other unincorporated association and not the estates of its individual members.

Section 2. Whereas, there is presently no convenient and expeditious method of suing partnerships or other unincorporated associations in this state, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Committee on Courts and Legal Procedure reported **SB 30** with the expression of opinion that same should not pass.

Committee on Child Welfare and Social Work reported **SB 44** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 44, AN ACT relating to handicapped children.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context requires otherwise:

(1) "Commission" means the Commission for Handicapped Children; and

(2) "Handicapped Children" includes all crippled children under the age of twenty-one, who are amenable to medical treatment.

Section 2. (1) A Commission for Handicapped Children is established in the State government, composed of seven members appointed by the Governor for a term of four years or until their successors are appointed and qualified, except that the terms of members first appointed shall be: One member for one year, two for two years, two for three years, and two for four years. The respective terms of the first members appointed shall be designated by the Governor at the time of their appointment. Two members of the Commission shall be appointed from a list of six names submitted by the Kentucky Society for Crippled Children, one member from a list of three names submitted by the Kentucky State Medical Association, and the other four members shall be intelligent and discreet citizens appointed from the state at large who have evidenced an interest in the problems of handicapped children. Upon the expiration of the respective terms of the members first appointed, the term of each successor shall be four years or until his successor is appointed and qualified. Vacancies shall be filled for the unexpired term in the same manner as original appointments, maintaining original representations.

Section 3. (1) Members of the Commission shall be qualified voters of the Commonwealth, shall be at least thirty years of age and have been residents of the Commonwealth for at least two years immediately preceding appointment.

(2) Commissioners shall take the constitutional oath of office before entering upon the discharge of their duties, and a record of such taking shall be entered upon the executive journal.

(3) Members of the Commission shall serve without compensation but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.

Section 4. (1) The Commission shall be a corporation with the usual corporate powers, and may adopt rules and regulations necessary to carry out the provisions of this Act.

(2) The Commission shall elect a president, vice-president, secretary and treasurer. The office of secretary and treasurer may be held by the same person.

(3) The Commission shall employ a medical director and such professional and other personnel as may be required to administer the program of the Commission, in accordance with state and federal laws and regulations and under such administrative policies as are established by the Commission. The medical director and all other employes of the Commission shall be subject to and governed by a merit system of rules and regulations adopted by the Commission, approved by the U. S. Secretary of Health, Education and Welfare. The Commission may elect coverage under the workmen's compensation laws for all employes of the Commission.

Section 5. The Commission may receive both real and personal property by gift, devise, bequest, conveyance or otherwise and may mortgage, pledge, sell or convey such properties unless specifically prohibited by the terms of the gift. Funds received from such gifts may be expended for the care and treatment of handicapped children referred to the Commission.

Section 6. The father, mother or guardian, or person in charge of a handicapped child, or any person interested in such child, may refer the child to the Commission.

Section 7. (1) The Commission shall provide through contractual agreement, or otherwise, such services as may be necessary to locate, diagnose, treat, habilitate or rehabilitate handicapped children, and may include any necessary auxiliary services, such as room and board and travel for patients and parents or parent substitutes.

(2) Children referred to the care of the Commission for treatment shall be placed under the care of such physicians or surgeons as the Commission deems qualified and may be placed in a hospital or home properly equipped to render the necessary treatment or services required by the child.

(3) The Commission is authorized to make such expenditures as may be necessary to carry out the provisions of this Act.

Section 8. (1) No child shall be accepted for care or treatment by the Commission if his parents or legal guardian are able to pay for such treatment except where the child resides in an area of the state where adequate care and treatment are not otherwise available, in which event referral must be made by the doctor caring for the child and the parents or guardian shall reimburse the Commission for all cost expended by the Commission for treatment.

(2) In the event the Commission determines that the parents or legal guardian of a handicapped child can pay only a portion of the cost of treatment through their own resources or through resources available to them, such parents or guardian shall pay such sums as they are able to pay and the funds thus received shall be turned over to the Commission and applied to the cost of treatment and care of the child.

Section 9. The Commission shall make a biennial report to the Governor showing the amount of money received and expended and a detailed statement of its activities for such period. A copy of such report shall be furnished each member of the General Assembly at its first session following the filing of such report with the Governor.

Section 10. All information as to medical data, personal facts, and circumstances obtained by the Commission staff shall constitute privileged communications, shall be held confidential and shall not be divulged without the consent of the father, mother, guardian, person who committed the child, or the patient involved, except as may be necessary to provide additional services to children through other medical, welfare or service agencies and institutions. Such information may be disclosed in summary, statistical or other form which does not identify particular individuals.

Section 11. The records, property and personnel heretofore employed in carrying out the functions of the Kentucky Crippled Children Commission are hereby transferred to the Commission for Handicapped Children. The appropriation and trust and agency fund balances provided for performances of the functions transferred by this chapter, are hereby transferred and made available to the Commission for Handicapped Children.

Section 12. Subsection (3) of Section 200.010, Section 200.250, 200.260, 200.270, 200.280 and 200.290 of the Kentucky Revised Statutes are repealed.

Section 13. This Act shall become effective on July 1, 1960.

Calendar

HR 9, SB 23, SB 41, SB 32, SB 40, SB 37, taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

Senator Ware moved the adoption of **HR 10.** Agreed.

HR 10, A CONCURRENT RESOLUTION urging the Congress to remove present limits on matching state funds for old-age assistance

WHEREAS, the federal government, in providing funds to the states for old-age assistance, limits its participation to individual payments not in excess of sixty dollars;

WHEREAS, the present plan of matching funds does not take into account the differences in the economic position, income, and the relative extent of the problem to be met in the various states; and

WHEREAS, the imposition of such ceiling and the inability of many states to carry their share of the cost poses a nationwide problem;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States is urged to remove the present ceiling of sixty dollars in matching state funds for old-age assistance.

Section 2. That variance in needs, economic conditions, and ability to pay among the states be considered in determining the basis of matching of funds.

Section 3. That the Clerk of the Senate of the Commonwealth of Kentucky cause copies of this Resolution to be sent to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each of the Senators and representatives now serving in the Congress from the Commonwealth of Kentucky and to the Secretary of the Department of Health, Education and Welfare.

SB 27, SB 35, SB 34, SB 21, SB 60 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day.

SB 24 taken from the Clerk's desk on motion of Senator Hamilton, seconded by Senator Richmond to be read into the Calendar, the report of the committee to the contrary notwithstanding.

Senator Young, seconded by Senator Richmond, moved to amend the previous motion and to recommit **SB 24** to the Committee on Public Health, two members having asked for a roll call, Senators Young and Jackson.

On the roll call, the vote was: Yeas 21—Bishop, Brand, Blue, C. H. Davis, Derickson, Francis, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Johnson, Kidwell, Martin, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 9—Bassett, Blake, Conley, Craft, Hamilton, Jackson, Kelly, Kinkead, Logan. **SB 24** was recommitted.

Reference of Bills

The President announced reference of the following bill:

Appropriations: **HB 42.**

House Message

Announcing passage of **HB 67, HB 68, HB 69, HB 70, HB 71, HB 72, HB 73, SR 16, SR 10.**

Senator Ware moved that the Senate adjourn until twelve noon January 28. Agreed.

THURSDAY, JANUARY 28, 1960

TWENTIETH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Herbert Ward Jackson of the Episcopal Church of the Ascension, Frankfort.

The roll was called. All present except Senators Martin, McCann, Overbey and White, who were granted leave of absence on motion of Senator Richmond.

Reading of the Journal for January 27 dispensed with on motion of Senator Richmond.

Introduction of Bills and Resolutions

SR 22, by Senator Duffy: A RESOLUTION making honorable mention of Mr. Carl Russman and the public service he has performed.

Senator Duffy moved that **SR 22** be adopted. Agreed.

SR 22, A RESOLUTION making honorable mention of Mr. Carl Russman and the public service he has performed.

WHEREAS, Mr. Carl Russman of Louisville has for twenty years been president of the All Wool and Yard Wide Democratic Club; and

WHEREAS, under his devoted leadership the club has grown both in size and in the amount of benefits it provides to the causes of crippled children, old people, and other worthy causes;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That honorable mention be and it is hereby made of Mr. Carl Russman and the service he has performed.

Section 2. That the clerk be directed to send a copy of this Resolution to Mr. Russman.

SB 91, by Senators Duffy and Miller: AN ACT relating to the Thirtieth Circuit Court District.

SB 92, by Senator Hamilton: AN ACT relating to obstructing and littering highways.

SB 93, by Senator Garnett: AN ACT relating to the Department of Agriculture, Labor and Statistics.

SB 94, by Senators Raney and Conley: AN ACT relating to unemployment insurance.

SB 95, by Senators Kinkead, Ware, Hamilton, Kelly, Jackson, Francis and Kidwell: AN ACT relating to insurance.

SB 96, by Senators Garnett and Ware: AN ACT relating to rules of the Court of Appeals.

SB 97, by Senator Melton: AN ACT relating to social security for public employes.

SB 98, by Senator Clyde Howard: AN ACT relating to fishing.

SB 99, by Senator Hehl: AN ACT relating to auxiliary police forces in cities of the second class.

Calendar

SB 52, SB 53, SB 54, SB 50, SB 26, SB 76, SB 44 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Recess

Senator Ware moved that the Senate do now recess for fifteen minutes. Agreed. At the appointed hour, the President called the Senate to order.

Report of Committees

Committee on Constitutional Amendments reported **HB 62** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 62, AN ACT relating to the taking of the sense of the people of the state as to the necessity and expediency of calling a Constitutional Convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky, and such amendments as may have been made to the same, as provided by Section 258 of the present Constitution of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That, whereas, at the Extraordinary Session of the General Assembly of Kentucky held in the year 1959, House Bill No. 1 was enacted by the General Assembly of the Commonwealth of Kentucky, which is in words and figures as follows, to wit:

"HOUSE BILL NO. 1

"AN ACT relating to the taking of the sense of the people of the state as the necessity and expediency of calling a Constitutional Convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky, and such amendments as may have been made to the same, as provided by Section 258 of the present Constitution of Kentucky.

"Be it enacted by the General Assembly of the Commonwealth of Kentucky:

"Section 1. That the sense of the people of the state as to the necessity and expediency of calling a convention for the purpose of revising or amending the present Constitution, and such amendments as may have been made to the same, shall be taken as herein provided and as provided in Section 258 of the Constitution of Kentucky.

"Section 2. When this act is passed at the present session of the General Assembly by a majority of all members elected to each house of the present General Assembly, that is, when a majority of all the members of each house shall concur by a yea and nay vote, to be entered upon their respective journals, this act shall be spread upon the respective journals of each house as a law.

"Section 3. If the next General Assembly shall, in like manner, concur in this act after it becomes a law as herein provided, it shall provide for having a poll opened in each voting precinct in this state by the officers provided by law for holding general elections at the next ensuing regular election to be held for state officers which does not occur within ninety days from the final passage of such law, at which time and places the votes of the qualified voters shall be taken for and against calling the convention, in the same manner provided by law for taking votes in other state elections. The vote for and against said proposition shall be certified to the Secretary of State by the same officers and in the same manner as in state elections. If it shall appear that a majority voting on the proposition was in favor of calling a convention, and if the total number of votes for the calling of the convention is equal to one-fourth of the number of qualified voters who voted in the last preceding general election in this state, the Secretary of State shall certify the same to the General Assembly at its next regular session, at which session a law shall be enacted calling a convention to revise or amend the present Constitution of this state, and such amendments as may have been made thereto, only with respect to the subjects set out in Section 4 of this act, and no others. Nothing in this act shall be construed to permit any change in the Bill of Rights.

"Section 4. The convention provided to be called by this act shall be limited in its consideration to the following subjects and shall consider no others:

"(1) The organization and powers of municipal, county and other local governments.

"(2) The judicial department and courts.

"(3) Compensation of public officers and employes.

"(4) The order of succession of persons entitled to act as Governor and the circumstances under which the Governor is disqualified to act.

"(5) Misfeasance, malfeasance and nonfeasance of public officers.

"(6) Official oaths.

"(7) The Railroad Commission.

"(8) The Legislative Department.

"(9) The mode of revision or amendment of the Constitution.

"(10) Incompatibility of offices.

"(11) Terms and tenure of state officers other than Governor and Lieutenant Governor.

"(12) Removal of limitations on the holding of real estate.

"Section 5. Before any Constitution agreed upon by a convention that may be called pursuant to this act and to Section 258 of the present Constitution shall take effect and become operative, the same shall be submitted to the qualified voters of this Commonwealth, after at least ninety days' notice, and ratified by a majority of those voting."

and,

Whereas, the said law above copied was spread at large upon the respective journals of the General Assembly for said session,

Now, therefore, be it further enacted by the General Assembly of the Commonwealth of Kentucky, that:

Section 1. This, the regular session of the General Assembly, held in the year 1960, does hereby concur in House Bill No. 1 enacted at the Extraordinary Session of the General Assembly of the Commonwealth of Kentucky held in the year 1959.

Section 2. That the sense of the people of the state as to the necessity and expediency of calling a convention for the purpose of revising or amending the present Constitution, and such amendments as may have been made to the same, shall be taken as herein provided and as provided in Section 258 of the Constitution of Kentucky.

Section 3. A poll shall be opened in each voting precinct in this state by the officers provided by law for holding general elections at the regular election to be held November 8, 1960, at which time and places the votes of the qualified voters shall be taken for and against calling the convention in the same manner provided by law for taking votes in other state elections.

Section 4. The Secretary of State, not less than fifty days before the regular election to be held November 8, 1960, shall certify the question of calling a convention to the county clerk of each county and the county clerk shall have the question as so certified placed on the ballot as provided in the general election laws. The question submitted to the voters shall be as follows:

"Are you in favor of calling a convention for the purpose of revising or amending the Constitution of the Commonwealth of Kentucky and such amendments as may have been made to same, limiting said convention to the consideration of the following subjects, and no others: (1) The organization and powers of municipal, county and other local governments; (2) The judicial department and courts; (3) Compensation of public officers and employes; (4) The order of succession of persons entitled to act as Governor and the circumstances under which the Governor is disqualified to act; (5) Misfeasance, malfeasance and non-feasance of public officers; (6) Official oaths; (7) The Railroad Commission; (8) The Legislative Department; (9) The mode of revision or amendment of the Constitution; (10) Incompatibility of offices; (11) Terms and tenure of state officers other than Governor and Lieutenant Governor; (12) Removal of limitations on the holding of real estate; **providing** that no change shall be made in the Bill of Rights; **and providing further** that any Constitution agreed upon by the convention shall not become effective until submitted to the voters of the Commonwealth for their approval, by a majority of those voting?"

Opposite and to the right of said question shall first be printed the word "Yes" with a square opposite that word, and immediately below the word "Yes" shall be printed the word "No" with a square opposite that word.

Section 5. Before a vote is taken upon the question of calling a convention the Secretary of State shall cause notice of the election and the purpose therefor to be published at least four times in two newspapers of general circulation published in this state, and shall also cause to be published at the same time and in the same manner the fact that the question set out in Section 4 of this act will be submitted to the voters for their acceptance or rejection at the regular election to be held November 8, 1960. The publication shall be made so that the last publication will be at least ninety days preceding the election at which said question is to be voted on.

Section 6. The vote for and against said proposition shall be certified to the Secretary of State by the same officers and in the same manner as in state elections. If it shall appear that a majority voting on the proposition was in favor of calling a convention, and if the total number of votes for the calling of the convention is equal to one-fourth of the number of qualified voters who voted in the last preceding general election in this state, the Secretary of State shall certify the same to the General Assembly at its next regular session, at which session a law shall be enacted calling a convention to revise or amend the present Constitution of this state, and such amendments as have been made thereto, only with respect to the subjects set out in Section 4 of this act, and no others.

Section 7. Before any Constitution agreed upon by a convention that may be called pursuant to this act and to Section 258 of the present Constitution shall take effect and become operative, the same shall be submitted to the qualified voters of this Commonwealth, after at least ninety days' notice, and ratified by a majority of those voting.

Section 8. When this act is passed at the present session of the General Assembly by a majority of all members elected to each house of the present General Assembly, that is, when a majority of all the members of each house shall concur by a yea and nay vote, to be entered upon their respective journals, this act shall be spread upon the respective journals of each house as a law.

Committee on Revenue and Taxation reported **SB 71** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 71, AN ACT relating to the Ohio River bed.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 56.220 of the Kentucky Revised Statutes is amended to read as follows:

All that portion of the bed of the Ohio River, lying north of the thread of the stream, except accretions to islands privately owned, is declared to be vacant and unappropriated land, and the county court of each county bordering on the Ohio River may use or lease the river bed for county purposes. Any lease of such river bed for development and/or removal of sand, gravel, gas, oil or other minerals or substances, conveys full right and title to the lessee of all interests embraced by the lease; and all rents, royalties and other proceeds from such lease shall be the property of the county bordering on the Ohio River and making such leases.

All monies paid into or to be paid into the State Treasury under the terms of leases heretofore made are appropriated to the counties bordering upon the Ohio River within whose boundaries the leases that produce the monies lie, and may be used for general county purposes.

Orders of the Day

SB 27, SB 35, SB 34, SB 21, SB 60 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

HR 9, taken from Orders of the Day. Senator Ware moved that **HR 9** be adopted. Agreed.

SB 23 taken from Orders of the Day and ordered read at length for the third time. Senator Johnson moved that it be read by title only. Agreed.

Senator Johnson moved the Previous Question on **SB 23.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware. Nays 0. **SB 23** was passed and the title agreed to.

SB 41, SB 32 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 40, taken from the Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 40.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 40** was passed and the title agreed to.

Senator Duffy moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 37, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Richmond moved the Previous Question on **SB 37.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 37** was passed and the title agreed to.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Executive and Legislative Affairs: **SR 20, HB 35.**

Ky. Statutes #1: **SR 21, HB 67, HB 68, HB 69, HB 70, HB 71, HB 72, HB 73.**

Courts and Legal Procedure: **HB 7.**

Elections and Redistricting: **HB 12, SB 79, SB 81.**

Agriculture and State Fair: **SB 80, SB 84.**

Municipalities: **SB 82, SB 86, SB 87.**

Ky. Statutes #2: **SB 83.**

Education: **SB 85.**

Motor Vehicles, Commerce and Common Carriers: **SB 88.**

Criminal Law: **SB 89.**

Senator Ware moved that the Senate adjourn until twelve noon, January 29. Agreed.

FRIDAY, JANUARY 29, 1960

TWENTY-FIRST LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Herbert Ward Jackson of the Episcopal Church of the Ascension, Frankfort.

The roll was called. All present except Senators Bonn, Conley, Mrs. J. H. Davis, Hickerson, Martin, McCann, Overbey and White, who were granted leave of absence on motion of Senator Francis.

Reading of the Journal for January 28 dispensed with on motion of Senator Young.

House Message

Announcing passage of **HB 1, HB 34, HB 38, HB 39, HB 50, HB 82, HB 95, HR 35, SB 31.**

Introduction of Bills

SB 100, by Senator Hamilton: AN ACT relating to labor unions.

SB 101, by Senator Young: AN ACT relating to Anhydrous ammonia.

SB 102, by Senator C. S. Howard: AN ACT relating to education, providing for a two year state college in Hardin County.

Reports of Committees

Committee on Municipalities reported **SB 82,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 82, AN ACT relating to sanitation districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The Board of Directors of a sanitation district may make contracts or other arrangements to provide for the collection, disposal and treatment of sewage and other liquid wastes produced outside of the District, as the Board of Directors may determine.

Committee on Municipalities reported **SB 36,** with the expression of opinion that same should pass, with **Committee Amendments** attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 36, AN ACT relating to local regulation of electrical standards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context otherwise requires:

(1) "Electrical contractor" means any individual, partnership or corporation that engages in or employs others for the construction, alteration or repair of any electrical wiring used for the purpose of furnishing heat, light or power;

(2) "Electrician" means any person who is employed by an electrical contractor and is engaged in the construction, alteration or repair of any electrical wiring used for the purpose of furnishing heat, light or power;

(3) "Electrical" pertains to the installation of wires and conduits in buildings for the purpose of transmitting electricity, and the installation of fixtures and equipment in connection therewith.

Section 2. This Act applies to cities of the first, second and third classes, and counties containing those cities.

Section 3. A city or county may require the inspection of all electrical wiring and installations within its jurisdiction, and the licensing of all electrical contractors and electricians performing services within its jurisdiction.

Section 4. Any action authorized by the provisions of this Act to be accomplished by a city or county may be undertaken by the city and county jointly.

Section 5. (1) A city or county may appoint an electrical inspector and any deputy electrical inspectors, or designate an existing inspection bureau, necessary to carry out the purposes of this Act.

(2) The electrical inspectors shall be competent electricians of good moral character and shall have a thorough knowledge of the standard materials used and methods employed in the installation of electrical wiring, devices and equipment. The inspectors shall be well versed in approved methods of installing and maintaining electrical connections in order to insure safety to life and property, and shall be familiar with the National Electrical Code and all safety requirements provided by law.

(3) The electrical inspection fee charged by the electrical inspector and his deputies or inspection bureau shall be fixed by the city or county.

Section 6. (1) A city or county may require any person to obtain permits before commencing construction, alteration or repairs of any electrical wiring, and require such inspection as it deems necessary for the safety of life and property.

(2) Reasonable standards for the construction, alteration and repair of any electrical wiring may be set by the city or the county and such standards shall be used by the electrical inspector in making his inspections.

Section 7. (1) A city or county may require all electrical contractors and electricians to be examined by an examining board before being issued a license to engage in their occupation. A city or county may require all non-resident electrical contractors and electricians to conform to reasonable standards prior to engaging in their occupation within the jurisdiction of the city or county.

(2) The examining board shall be composed of five to eight members appointed by the city or county. No appointee shall serve more than two consecutive years.

(3) The members of the examining board shall serve without salary.

(4) Electrical contractors and electricians may be required to pay a reasonable fee before issuance of a license to them.

Section 8. A city or county may fix as a penalty for the violation of an ordinance or resolution passed under the provisions of this Act, a fine of not less than ten dollars nor more than one hundred dollars, or imprisonment for not more than fifty days, or both.

Amend printed copy of **SB 36**, Section 1, line 4. After the words "engages in" by adding the following "the business of."

Amend printed copy of **SB 36**, Section 6, line 8 by adding at the end a new sentence to read as follows: "Compliance with regulations and orders of the Division of Fire Prevention, State Department of Public Safety and with nationally-recognized standards, including the National Electrical Code, shall be prima facie evidence of compliance with the standards of such city or county as to matters covered by such state or national standards which have not been specifically altered by such city or county."

Amend printed copy of **SB 36**, amend Section 5, paragraph 2, at the end of the sentence strike out the period and begin with the following words "and paid by the electrical contractor."

Calendar

HB 62, SB 71, taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 27, SB 35, SB 34, SB 21, SB 60, SB 41, SB 32, SB 52, SB 53, SB 54, SB 50, SB 26, SB 76 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 44 taken from Orders of the Day, and ordered read at length for the third time. Senator Young moved that it be read by title only. Agreed.

Senator Young moved the Previous Question on **SB 44.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Blue, Byers, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 44** was passed and the title agreed to.

Senator Duffy moved that the vote by which said bill was passed, be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate adjourn until seven p.m., February 1. Agreed.

MONDAY, FEBRUARY 1, 1960

TWENTY-SECOND LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Fred T. Moffatt of the First Baptist Church of Frankfort.

The roll was called. All present except Senators Conley, McCann, Melton, Overbey and White, who were granted leave of absence on motion of Senator Hickerson.

Reading of the Journal for January 29 dispensed with and the same approved on motion of Senator Hickerson.

House Message

Announcing passage of **HR 40, HB 15, HB 47, HB 53, HB 90, HB 119, HB 124, HB 75.**

Recess

Senator Ware moved that the Senate do now recess for fifteen minutes. Agreed. At the appointed hour the President called the Senate to order.

Reference of Bills and Resolutions

The President announced reference of the following bills and resolutions:

Administrative Agencies: **SB 90**
Judiciary and Judicial Council: **SB 91, SB 96**
Rural Roads and Highways: **SB 92**
Agriculture and State Fair: **SB 93, SB 101**
Insurance: **SB 95**
Higher Education: **SB 97, SB 102, HR 35**
Fish and Game: **SB 98**
Municipalities: **SB 99**
Labor and Manufacturing: **SB 100**
Public Health: **HB 38, HB 39**
Revenue and Taxation: **HB 95**
Ky. Statutes #1: **HB 75**

Introduction of Bills

SB 103, by Senator Francis: AN ACT relating to the State Board of Agriculture.

SB 104, by Senator Hamilton: AN ACT making it a misdemeanor to obtain or attempt to obtain goods, property or service by false or fraudulent use of credit cards or other false or fraudulent means, and providing penalties therefor.

SB 105, by Senators Kelly and Blake: AN ACT relating to the terms of court in the Nineteenth Judicial District.

SB 106, by Senator Ware: AN ACT changing the classification of the City of Fort Wright, in Kenton County.

SB 107, by Senator Duncan: AN ACT relating to fishing licenses.

SB 108, by Senator Raney: AN ACT relating to occupations using vehicles.

Recess

Senator Francis moved that the Senate do now recess for ten minutes. Agreed. At the appointed hour the President called the Senate to order.

Report of Committees

Committee on Kentucky Statutes #1 reported **HB 67, HB 68, HB 69, HB 70, HB 71, HB 72, HB 73, SR 21, HB 75** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 67, AN ACT relating to clerks' fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.010 of the Kentucky Revised Statutes is amended to read as follows:

The clerk of the Court of Appeals and the clerks of circuit courts and county courts, as far as the same will apply, shall receive for the following services the following fee:

. . . .

For filing, indexing and furnishing filing data for an original or continuation financing statement ---------------$2.00.

. . . .

For filing and indexing a financing termination statement and sending or delivering the original financing statement----$ .75.

. . . .

For filing, indexing and furnishing filing data about an assignment of a financing statement--------------------------$ .75.

. . . .

For filing and noting a statement of release of collateral under a financing statement ------------------------------$ .75.

(all other fees to be the same as at present.)

HB 68, AN ACT relating to the duties of county clerks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 382.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsection (2) of this section, each county clerk shall make and keep an alphabetical cross-index of all conveyances recorded in his office, and when a mortgage or deed of trust, or any other conveyance, lease or contract is lodged in his office for record, he shall, at once and before attending to any other business, place the names of the parties to the instrument upon the cross-index in his office, and shall within six days thereafter record the instrument.

(2) Chattel mortgages, financing statements or security agreements shall be filed and recorded in the manner set out in Section 9-403 of the Uniform Commercial Code.

Section 2. Section 382.670 of the Kentucky Revised Statutes is repealed.

Section 3. This Act shall become effective on July 1, 1960.

HB 69, AN ACT relating to security interests in motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The lien instrument referred to in KRS 186.020, 186.030, 186.040, and 186.195 shall be filed in the same manner as financing statements are required to be filed by the Uniform Commercial Code.

Section 2. Section 186.195 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the owner of a motor vehicle, properly registered in this state, executes a lien thereon, he shall deliver the registration receipt to the secured party. The secured party shall, within ten days thereafter, present such receipt, together with the lien instruments and proper fees, to the county clerk of the county in which the motor vehicle is registered for recording.

(2) The county clerk shall, within five days, mail the registration receipt with the lien recorded thereon to the owner, and shall also record the lien on the copy of the registration receipt on file in the county clerk's office.

(3) (a) When the security interest is assigned or discharged pursuant to the law, the owner shall present the registration receipt to the secured party who shall record thereon in language prescribed by the department that the lien has been assigned or discharged. The recording shall show the date thereof and shall be signed by the secured party of his authorized agent and acknowledged before an officer authorized to administer an oath.

(b) The secured party shall file a statement of assignment or termination which statements shall be governed by the provisions of Sections 9-404 and 9-405 of the Uniform Commercial Code and any other applicable provision of law, and which must be filed within thirty days of the assignments or discharge of the security interest.

(c) When a discharge or assignment has been recorded on the owner's registration receipt, the owner may present the registration receipt to the county clerk who shall record the information on the copy of the receipt which contains the lien information on file in the county clerk's office, for which services the owner shall pay the clerk a fee of twenty-five cents.

(4) For failure to present the registration receipt and record the lien instrument within the time prescribed, the secured party shall pay a penalty of two dollars to the county clerk as a prerequisite for recording the lien information on the registration receipt. The penalty, less the county clerk's commission of five percent, shall be remitted to the department.

(5) No lien executed prior to January 1, 1960, shall be recorded on the registration receipt issued by the county clerk.

Section 3. This Act shall become effective on July 1, 1960.

HB 70, AN ACT relating to commercial transactions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Whenever a statement that is required to identify a financing statement by file number need be filed under the Uniform Commercial Code, the statement shall also identify the financing statement by date filed.

Section 2. Whenever a statement required under the Uniform Commercial Code need be sent to a party to the transaction by the county clerk, it shall be sufficient for the county clerk to send the statement to the party entitled to receive it, at his last known address.

HB 71, AN ACT relating to commercial transactions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) When a secured transaction evidenced by record in the county clerk's office has terminated, and there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party shall send to the clerk a statement that he no longer claims a security interest under the financing statement or other instrument, which shall be identified by file number and date filed. A termination statement signed by a person other than the secured party of record shall include or be accompanied by the assignment or a statement by the secured party of record that

he has assigned the security interest to the signer of the termination statement. The uniform fee for filing and indexing such an assignment or statement thereof shall be $.75. If the actual secured party fails to send such a termination statement within thirty days after he no longer claims a security interest, he shall be liable to the debtor for one hundred dollars, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the clerk of such a termination statement he shall note it in the index. He shall remove the terminated instrument from the files, mark it "terminated" and send or deliver it to the secured party.

(3) The uniform fee for filing and indexing a termination statement and for sending or delivering the terminated instrument shall be $.75.

HB 72, AN ACT relating to taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 142.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) The following taxes shall be paid:

(a) A tax of four dollars on each verdict of a petit jury in civil cases in circuit court.

(b) A tax of three dollars and fifty cents on each marriage license.

(c) A tax of two dollars and fifty cents for each survey consisting of ten acres or less, and of five dollars for each survey in excess of ten acres, on the filing and registering of a plat and certificate of survey and issuing and recording patent thereon, to consist of one charge which shall be paid before the survey is filed, but not to apply to a survey heretofore filed in the register's office.

(d) A tax of one dollar on each Power of Attorney to convey real or personal property; on each mortgage, financing statement, security agreement or conveyance of real or personal property, and on each lien or conveyance of coal, oil, gas or other mineral right or privilege; except that no tax shall be paid on any chattel mortgage, financing statement or security agreement unless the amount thereof exceeds two hundred dollars.

(e) A tax of one dollar for issuing a land warrant.

(f) A tax of one dollar for each official certificate with seal of office affixed.

(g) A tax of fifty cents on the seal of a court required by law to keep a seal, except for the purpose of issuing a license authorized by the state.

(h) A tax of fifty cents for a copy of a plat; for a copy of a course and distances of a patent or survey; and for a copy of an entry or land warrant.

(i) A tax of twenty-five cents for filing a caveat; for filing a copy of a judgment of a court in a case of a caveat, mandamus or other proceeding affecting the land office or the duties of the Secretary of State with respect thereto; and for a copy of an assignment.

(j) A tax of two cents for each twenty words of a copy of a caveat or a copy of any writing not specifically provided for.

(2) The tax imposed by this section shall be due and payable when the process or instrument is filed or issued, or copies thereof furnished. This section shall not be construed to require any tax upon a deed of release of a lien retained in a deed or mortgage.

HB 73, AN ACT relating to commercial transactions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. If the property intended as collateral is consumer goods as defined in Section 9-109 (1) of the Uniform Commercial Code of the consumer debtor at the time the financing statement required by Section 9-402 of the Code is filed, and if the property is an automobile, motor truck or other property normally carrying a serial number, the following information shall also be given:

(1) If the property is an automobile or motor truck, the make, model, year model and motor number or identification number shall be given;

(2) For other property, the item and its serial number shall be given.

Section 2. If at the time the financing statement required by Section 9-402 of the Uniform Commercial Code is filed there is an indebtedness of two hundred dollars or more, that fact shall be stated.

SR 21, A JOINT RESOLUTION memorializing the Interstate Commerce Commission to render a speedy decision on the matter of Kentucky time standards.

WHEREAS, the Interstate Commerce Commission has held extensive hearings on the question of where the line dividing the Eastern and Central time zones in Kentucky should be; and

WHEREAS, the hearing examiner's report was made public months ago; and

WHEREAS, the people of Kentucky continue to be perplexed and confused by the time issue;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interstate Commerce Commission be memorialized to render a speedy decision on the matter of Kentucky time standards.

Section 2. That the Clerk be directed to send copies of this resolution to the Interstate Commerce Commission, and to each of the members of Congress from Kentucky.

HB 75, AN ACT relating to revenue and taxation and appropriating funds for carrying out the purposes of this Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

ARTICLE I

A new chapter of the Kentucky Revised Statutes is hereby created to read as follows:

Section 1. (1) This Article is known and may be cited as the "Veterans' Bonus Sales and Use Tax Law."

(2) Any and all amounts derived from the levy and collection of the taxes levied by Article I of this Act shall be appropriated and used as follows:

(a) Upon issuance and sale from time to time of bonds providing funds for purposes of paying the bonus to veterans as proposed by the General Assembly under Chapter 48, 1958 Kentucky Acts, and ratified by the electorate on November 3, 1959, there shall first be set aside out of each month's receipts such proportionate part of the next maturing principal of, and interest on, all such bonds as may then be outstanding as will provide for the payment of principal and interest when due.

(b) Monthly receipts in excess of the amounts necessary to make such provisions for the payment of the principal of and interets on all such outstanding bonds shall to the extent of such excess be credited to the general fund, except for amounts of taxes herein levied and collected upon the sale or use of motor vehicles.

Section 2. Except where the context otherwise requires, the definitions given in Sections 3 through 19 govern the construction of this Chapter.

Section 3. "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit or advantage, either direct or indirect.

Section 4. (1) "Gross receipts" means the total amount of the sale, lease or rental price, as the case may be, of "retail sales," or "sales at retail," valued in money, whether received in money or otherwise, without any deduction on account of any of the following:

(a) The cost of the property sold. However, in accordance with such rules and regulations as the department may prescribe, a deduction may be taken if the retailer has purchased property for some purpose other than resale, has reimbursed his vendor for tax which the vendor is required to pay to the state or has paid the use tax with respect to the property, and has resold the property prior to making any use of the property other than retention, demonstration or display while holding it for sale in the regular course of business. If such a deduction is taken by the retailer, no refund or credit will be allowed to his vendor with respect to the sale of the property.

(b) The cost of the materials used, labor or service cost, interest paid, losses or any other expense.

(c) The cost of transportation of the property prior to its sale to the purchaser.

(2) The total amount of the sale or lease or rental price includes all of the following:

(a) Any services that are a part of the sale.

(b) All receipts, cash, credits and property of any kind.

(c) Any amount for which credit is allowed by the seller to the purchaser.

(3) "Gross receipts" do not include any of the following:

(a) Cash discounts allowed and taken on sales (provided that premium or trading stamps shall not be considered as cash discounts).

(b) Sale price of property returned by customers when the full sale price is refunded either in cash or credit; but this exclusion shall not apply in any instance when the customer, in order to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.

(c) The price received for labor or services used in installing or applying the property sold.

(d) The amount of any tax (not including, however, any manufacturers' excise or import duty) imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.

(e) Sales of gasoline and special fuels subjected to tax under Kentucky Revised Statutes, Chapter 138.

(f) The sales price of any motor vehicle (including those defined under KRS 189.010 (5) and 189.010 (10), which has never been registered in Kentucky.

(4) For purposes of the sales tax, if the retailer establishes to the satisfaction of the department that the sales tax has been added to the total amount of the sale price and has not been absorbed by the retailer, the total amount of the sale price shall be deemed to be the amount received exclusive of the tax imposed.

Section 5. "In this state" or "in the state" means within the exterior limits of the Commonwealth of Kentucky and includes all territory within these limits owned by or ceded to the United States of America.

Section 6. (1) "Occasional sale" includes:

(a) A sale of property not held or used by a seller in the course of an activity for which he is required to hold a seller's permit, provided such sale is not one of a series of sales sufficient in number, scope and character to constitute an activity requiring the holding of a seller's permit.

(b) Any transfer of all or substantially all the property held or used by a person in the course of such an activity when after such transfer the real or ultimate ownership of such property is substantially similar to that which existed before such transfer.

(2) For the purposes of this section, stockholders, bondholders, partners or other persons holding an interest in a corporation or other entity are regarded as having the "real or ultimate ownership" of the property of such corporation or other entity.

Section 7. "Person" includes any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee, governmental unit or agency, or any other group or combination acting as a unit.

Section 8. (1) "Purchase" means any transfer of title or possession, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration and includes:

(a) When performed outside this state or when the customer gives a resale certificate, the producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(b) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(c) A transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication.

(2) "Transfer of possession," "lease," or "rental" includes only transactions found by the department to be in lieu of a transfer of title, exchange, or barter.

Section 9. (1) "Retail sale" or "sale at retail" means:

(a) A sale for any purpose other than resale in the regular course of business of tangible personal property, or

(b) The furnishing of the facilities and services mentioned in subsection (2) of this section.

(c) The delivery in this state of tangible personal property by an owner or former owner thereof or by a factor, or agent of such owner, former owner or factor, if the delivery is to a consumer or person for redelivery to a consumer pursuant to a retail sale made by a retailer not engaged in business in this state. The person making the delivery shall include the retail selling price of the property in his gross receipts.

(2) "Retail sale" or "sale at retail" shall include but shall not be limited to the following:

(a) The rental of any room or rooms, lodgings, or accommodations furnished by any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration. The tax shall not apply, however, to rooms, lodgings, or accommodations supplied for a continuous period of ninety days or more to an individual.

(b) The furnishing of sewer services and intrastate telephonic and telegraphic communications and services.

(c) The sale of admissions, except, those taxed under KRS 138.480.

Section 10. (1) "Retailer" includes:

(a) Every seller who makes any "retail sale" or "sales at retail," or who furnishes any services and facilities included in Section 9 of this Article, and every person engaged in the business of making retail sales at auction of tangible personal property owned by the person or others.

(b) Every person engaged in the business of making sales for storage, use or other consumption or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use or other consumption.

(c) Every person making more than two retail sales during any twelve month period, including sales made in the capacity of assignee for the benefit of creditors, or receiver or trustee in bankruptcy.

(d) Any person conducting a race meeting under the provision of Kentucky Revised Statutes, Chapter 230, with respect to horses which are claimed during such meeting.

(2) When the department determines that it is necessary for the efficient administration of this chapter to regard any salesmen, representatives, peddlers, or canvassers as the agents of the dealers, distributors, supervisors or employers under whom they operate or from whom they obtain the tangible personal property sold by them, irrespective of whether they are making sales on their own behalf or on behalf of such dealers, distributors, supervisors or employers, the department may so regard them and may regard the dealers, distributors, supervisors or employers as retailers for purposes of this chapter.

Section 11. (1) "Sale" means, the furnishing of any services and facilities included in Section 9 of this Article or, any transfer of title or possession, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration, and includes:

(a) The producing, fabricating, processing, printing or imprinting of tangible personal property for a consideration for consumers who furnish, either directly or indirectly, the materials used in the producing, fabricating, processing, printing or imprinting.

(b) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(c) A transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated or printed to the special order of the customer.

(2) "Transfer of possession," "lease," or "rental" includes only transactions found by the department to be in lieu of a transfer of title, exchange or barter.

Section 12. (1) "Sales price" means the total amount for which tangible personal property is sold, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

(a) The cost of the property sold.

(b) The cost of materials used, labor or service cost, interest charged, losses, or any other expenses.

(c) The cost of transportation of the property prior to its purchase.

(2) The total amount for which property is sold includes all of the following:

(a) Any services that are a part of the sale.

(b) Any amount for which credit is given to the purchaser by the seller.

(3) "Sales price" does not include any of the following:

(a) Cash discounts allowed and taken on sales (excluding trading or premium stamps).

(b) The amount charged for property returned by customers when the entire amount charged therefor is refunded either in cash or credit; but this exclusion shall not apply in any instance when the customer, in order to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.

(c) The amount charged for labor or services rendered in installing or applying the property sold.

(d) The amount of any tax (not including, however, any manufacturer's excise or import duty) imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.

(e) The value allowed for a motor vehicle, as defined by KRS 138.450, insofar as the value of such motor vehicle is included in the consideration for the concurrent purchase of another such motor vehicle, provided such value allowed does not exceed the fair market value of the motor vehicle so traded.

Section 13. "Seller" includes every person engaged in the business of selling tangible personal property or services of a kind, the gross receipts from the retail sale of which are required to be included in the measure of the sales tax.

Section 14. "Storage" includes any keeping or retention in this state for any purpose except sale in the regular course of business or subsequent use solely outside this state of tangible personal property purchased from a retailer.

Section 15. "Storage" and "use" do not include the keeping, retaining or exercising any right or power over tangible personal property for the purpose of subsequently transporting it outside the state for use thereafter solely outside the state, or for the purpose of being processed, fabricated or manufactured into, attached to, or incorporated into, other tangible personal property to be transported outside the state and thereafter used solely outside the state.

Section 16. "Tangible personal property" means personal property which may be seen, weighed, measured, felt or touched, or which is in any other manner perceptible to the senses and includes natural, artificial and mixed gas, electricity and water.

Section 17. "Machinery for new and expanded industry" shall mean that machinery used directly in the manufacturing process, which is incorporated for the first time into plant facilities established in this state, and which does not replace machinery in such plants.

Section 18. "Taxpayer" means any person liable for tax under this Article; "Department" means the Department of Revenue.

Section 19. "Use" includes the exercise of any right or power over tangible personal property incident to the ownership of that property, or by any transaction in which possession is given, except that it does not include the sale of that property in the regular course of business.

Section 20. (1) For the privilege of making "retail sales" or "sales at retail," a tax is hereby imposed upon all retailers at the rate of three percent of the gross receipts of any retailer derived from "retail sales" or "sales at retail" made within this state after June 30, 1960.

Section 21. The taxes herein imposed may be collected by the retailer from the consumer.

Section 22. It is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax levied by Section 20 of this Article or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold or that if added it or any part thereof will be refunded.

Section 23. The department is authorized to prepare suitable brackets of prices for the collection of the taxes imposed by this Article in order to eliminate fractions of one cent, and so that the aggregate collections of taxes by a retailer, so far as may be practicable, shall be equal to three percent of gross receipts or sales price, as the case may be.

Section 24. (1) Every person presently engaged or desiring to engage in or conduct business as a seller within this state shall file with the department an application for a permit for each place of business.

(2) Every application for a permit shall:

(a) Be made upon a form prescribed by the department.

(b) Set forth the name under which the applicant transacts or intends to transact business and the location of his place or places of business.

(c) Set forth such other information as the department may require.

(3) The application shall be signed by the owner if he is a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority.

Section 25. After compliance with Section 24 and 63 by the applicant, the department shall grant and issue to each applicant a separate permit for each place of business within the state. A permit shall not be assignable, and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Section 26. For the purpose of the proper administration of this Article and to prevent evasion of the sales tax it shall be presumed that all gross receipts are subject to the tax until the contrary is established.

The burden of proving that a sale of tangible personal property is not a "retail sale" or "sale at retail" is upon the person who makes the sale unless he takes from the purchaser a certificate to the effect that the property is purchased for resale.

Section 27. The certificate relieves the seller from the burden of proof only if taken in good faith from a person who is engaged in the business of selling tangible personal property and who holds the permit provided for in Section 25 of this Article, and who, at the time of purchasing the tangible personal property, intends to sell it in the regular course of business or is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose.

Section 28. (1) The certificate shall:

(a) Be signed by and bear the name and address of the purchaser.

(b) Indicate the number of the permit issued to the purchaser.

(c) Indicate the general character of the tangible personal property sold by the purchaser in the regular course of business.

(2) The certificate shall be substantially in such form as the department may prescribe.

Section 29. If a purchaser who gives a certificate makes any use of the property other than retention, demonstration or display while holding it for sale in the regular course of business, the use shall be taxable to the purchaser as of the time the property is first used by him, and the sales price of the property to him shall be deemed the measure of the tax. Only when there is an unsatisfied use tax liability on this basis shall the seller be liable for sales tax with respect to the sale of the property to the purchaser. If the sole use of the property other than retention, demonstration or display in the regular course of business is the rental of the property while holding it for sale, the purchaser may elect to include in his gross receipts the amount of the rental charged rather than the sales price of the property to him.

Section 30. If a purchaser gives a certificate with respect to the purchase of fungible goods and thereafter commingles these goods with other fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass cannot be determined, sales from the mass of commingled goods shall be deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold.

Section 31. (1) An excise tax is hereby imposed on the storage, use or other consumption in this state of tangible personal property purchased on or after July 1, 1960, for storage, use or other consumption in this state at the rate of three percent of the sales price of the property.

Section 32. Every person storing, using or otherwise consuming in this state tangible personal property purchased from a retailer is liable for the use tax levied under Section 31 of this Article. His liability is not extinguished until the tax has been paid to this state, except that a receipt from a retailer engaged in business in this state or from a retailer who is authorized by the department, under such rules and regulations as it may prescribe, to collect the tax and who is, for the purpose of this Article relating to the use tax, regarded as a retailer engaged in business in this state, given to the purchaser pursuant to Section 33 of this Article is sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

Section 33. (1) Except as provided in Sections 46 and 47, every retailer engaged in business in this state and making sales of tangible personal property for storage, use or other consumption in this state, shall, at the time of making the sales, or, if the storage, use or other consumption of the tangible personal property is not then taxable hereunder, at the time the storage, use or other consumption becomes taxable, collect the tax levied under Section 31 of this Article from the purchaser and give to the purchaser a receipt therefor in the manner and form prescribed by the department.

(2) "Retailer engaged in business in this State" as used in this Article includes any of the following:

(a) Any retailer maintaining, occupying, or using, permanently or temporarily, directly, indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place or other place of business.

(b) Any retailer having any representative, agent, salesman, canvasser or solicitor operating in this State under the authority of the retailer or its subsidiary for the purpose of selling, delivering, or the taking of orders for any tangible personal property.

Section 34. A retailer is relieved from liability to collect use tax which shall become due and payable subsequent to June 30, 1960, insofar as the measure of the tax is represented by accounts which have been found to be worthless and charged off for income tax purposes. If the retailer has previously paid the amount of the tax, he may, under rules and regulations prescribed by the department, take as a deduction the amount found worthless and charged off for income tax purposes. If any such accounts are thereafter in whole or in part collected by the retailer, the amount so collected shall be included in the first return filed after such collection and the amount of the tax thereon paid with the return.

Section 35. The tax or any part thereof required by Section 33 of this Article, to be collected by the retailer constitutes a debt owed by the retailer to this state.

Section 36. It is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof required to be collected by the retailer under Section 33 of this Article will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold or that if added it or any part thereof will be refunded.

Section 37. The tax required to be collected by the retailer under Section 33 of this Article from the purchaser shall be displayed separately from the list price, the price advertised in the premises, the marked price, or other price on the sales check or other proof of sales.

Section 38. Every retailer selling tangible personal property for storage, use or other consumption in this state shall register with the department and give:

(1) The name and address of all agents operating in this state.

(2) The location of all distribution or sales houses or offices or other places of business in this state.

(3) Such other information as the department may require.

Section 39. For the purpose of the proper administration of this Article and to prevent evasion of the use tax and the duty to collect the use tax, it shall be presumed that tangible personal property sold by any person for delivery in this state is sold for storage, use or other consumption in this state until the contrary is established. The burden of proving the contrary is upon the person who makes the sale unless he takes from the purchaser a certificate to the effect that the property is purchased for resale.

Section 40. The certificate relieves the person selling the property from the burden of proof only if taken in good faith from a person who is engaged in the business of selling tangible personal property and who holds the permit provided for by Section 24 of this Article, and who, at the time of purchasing the tangible personal property, intends to sell it in the regular course of business or is unable to ascertain at the time of purchase whether the property will be sold or will be used for some other purpose.

Section 41. (1) The certificate shall:

(a) Be signed and bear the name and address of the purchaser.

(b) Indicate the number of the permit issued to the purchaser.

(c) Indicate the general character of the tangible personal property sold by the purchaser in the regular course of business.

(2) The certificate shall be substantially in such form as the department may prescribe.

Section 42. If a purchaser who gives a certificate makes any storage or use of the property other than retention, demonstration or display while holding it for sale in the regular course of business, the storage or use is taxable as of the time the property is first so stored or used. If the sole use of the property, other than retention, demonstration or display in the regular course of business, is the rental of the property while holding it for sale, the purchaser may elect to pay the tax on the use measured by the amount of the rental charged rather than the sales price of the property to him.

Section 43. If a purchaser gives a certificate with respect to the purchase of fungible goods and thereafter commingles those goods with other fungible goods not so purchased but of such similarity that the identity of the constituent goods in the commingled mass cannot be determined, sales from the mass of commingled goods shall be deemed to be sales of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold.

Section 44. It shall be presumed that tangible personal property shipped or brought to this state by the purchaser after June 30, 1960, was purchased from a retailer on or after July 1, 1960, for storage, use or other consumption in this state.

Section 45. (1) On and after July 1, 1960, it shall be further presumed that tangible personal property delivered outside of this state to a purchaser known by the retailer to be a resident of this state was purchased from a retailer for storage, use or other consumption in this state and stored, used or otherwise consumed in this state.

(2) This presumption may be controverted by:

(a) A statement in writing, signed by the purchaser or his representative, and retained by the vendor, that the property was purchased for use at a designated point or points outside this state.

(b) Other evidence satisfactory to the department that the property was not purchased for storage, use or other consumption in this state.

Section 46. There are excluded from the computation of the amount of taxes imposed by this Article:

(1) Gross receipts from the sale of, and the storage, use or other consumption in this state of, tangible personal property the gross receipts from the sale of which, or the storage, use or other consumption of which, this state is prohibited from taxing under the Constitution or laws of the United States, or under the Constitution of this state.

(2) Gross receipts from sales of, and the storage, use or other consumption in this state of:

(a) Nonreturnable containers when sold without the contents to persons who place the contents in the container and sell the contents together with the container.

(b) Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling.

As used in this section the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are "nonreturnable containers."

(3) Gross receipts from the sale of, and the storage, use or other consumption in this state of, tangible personal property used for the performance of a lump sum, fixed fee contract of public works executed prior to the time that this Act becomes a law.

(4) Gross receipts from occasional sales of tangible personal property and the storage, use or other consumption in this state of tangible personal property, the transfer of which to the purchaser is an occasional sale.

(5) Gross receipts from sales of tangible personal property to a common carrier, shipped by the seller via the purchasing carrier under a bill of lading, whether the freight is paid in advance or the shipment is made freight charges collect, to a point outside this state and the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a common carrier.

Section 47. Any other provision of this Article to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this Article do not include the sale, use, storage, or other consumption of:

(a) Locomotives or rolling stock, including materials for the construction, repair, or modification thereof, or fuel or supplies for the direct operation of locomotives and trains, used or to be used in interstate commerce;

(b) Coal for the manufacture of electricity;

(c) All energy or energy-producing fuels used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three percent of the cost of production:

(d) Livestock of a kind the products of which ordinarily constitute food for human consumption provided the sales are made for breeding or dairy purposes and by or to a person regularly engaged in the business of farming;

(e) Poultry for use in breeding or egg production;

(f) Farm work stock for use in farming operations;

(g) Seeds, the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business, feed for livestock or poultry of a kind the products of which ordinarily constitute food for human consumption, and commercial fertilizer to be applied on land the products from which are to be used for food for human consumption or are to be sold in the regular course of business; provided such sales are made to farmers who are regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or who are regularly engaged in the occupation of raising and feeding livestock or poultry or producing milk for sale; and provided further that such tangible personal property so sold is to be used only by those persons designated above who are so purchasing;

(h) Machinery for new and expanded industry.

Section 48. (1) The storage, use or other consumption in this state of property, the gross receipts from the sale of which are required to be included in the measure of the tax levied under Section 20 of this Article is not subject to the use tax.

(2) The storage, use, or other consumption in this state of gasoline or special fuels on which the tax under Kentucky Revised Statutes, Chapter 138, has been paid and which is not subject to refund under KRS 138.341, KRS 138.344, KRS 279.200, or KRS 279.530 shall not be subject to the use tax.

Section 49. If a purchaser certifies in writing to a seller that the property purchased will be used in a manner or for a purpose entitling the seller to exclude from the computation of the sales tax the gross receipts from the sale and uses the property in some other manner or for some other purpose, the purchaser shall be liable for payment of sales tax as if he were a retailer making a retail sale of the property at the time of such use, and the cost of the property to him shall be deemed the gross receipts from such retail sale.

Section 50. The taxes imposed by this Article are due and payable to the department monthly and shall be remitted on or before the twentieth day of the next succeeding calendar month.

Section 51. (1) On or before the twentieth day of the month following each calendar month, a return for the preceding month shall be filed with the department in such form as the department may prescribe.

(2) For purposes of the sales tax a return shall be filed by every seller. For purposes of the use tax a return shall be filed by every retailer engaged in business in the state and by every person purchasing tangible personal property, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax.

(3) Returns shall be signed by the person required to file the return or by his duly authorized agent but need not be verified by oath.

(4) Persons not regularly engaged in selling at retail and not having a permanent place of business, but who are temporarily engaged in selling from trucks, portable roadside stands, concessionaires

at fairs, circuses, carnivals, and the like, shall report and remit the tax on a non-permit basis, under such rules as the department shall provide for the efficient collection of the sales tax on such sales.

Section 52. (1) For the purposes of the sales tax, the return shall show the gross receipts of the seller during the preceding reporting period. For purposes of the use tax, in case of a return filed by a retailer, the return shall show the total sales price of the property sold by him, the storage, use or consumption of which property became subject to the use tax during the preceding reporting period.

(2) In case of a return filed by a purchaser, the return shall show the total sales price of the property purchased by him, the storage, use or consumption of which became subject to the use tax during the preceding reporting period.

(3) The return shall also show the amount of the taxes for the period covered by the return and such other information as the department deems necessary for the proper administration of this Article.

(4) Each retailer shall annually file a return with the department, on a form prescribed by the department, which shall include a statement of gross receipts as shown by retailer's federal income tax return for the last calendar year, or, if the retailer files his federal income tax return on a fiscal year basis, then the true copy shall be for the last completed fiscal year of the retailer. If the total receipts of the business as reported in the federal income tax return do not agree with the gross sales reported to the department for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the two amounts and the reasons for the difference. The foregoing portion of this section shall not be applicable to a corporation authorized as a corporation to do business in each of two or more states. As a part of such annual return, the retailer shall include an accurate statement of the cost of goods withdrawn from his merchandise inventory for personal use or consumption of the retailer, his family or employees, or used for payment or consideration in any contract or obligation of the retailer; also, the name and address of any certified public accountant, public accountant, accountant, bookkeeper or person engaged in any multiple bookkeeping service other than regular full time employees of the retailer, who made any entries in the books or records of the retailer or assisted, directed, counseled, or advised in the making of any books, records, or tax returns in connection with the business covered by such annual return. The department may require such additional information, including the number of paid employees and members of the retailer's family working without compensation, as it deems helpful in determining the accuracy of the monthly returns filed in accordance with this Article. Said annual return shall be filed within thirty days of the date set for the filing of the retailer's federal income tax return, and

shall be signed by the retailer. If such annual return is prepared for the retailer by any other person, the return shall so state, giving the name and address of such person and be signed by such person, and give the name of his employer, if any.

Section 53. The taxpayer shall deduct and withhold from the taxes otherwise due from him two percent thereof to reimburse himself for the cost of collecting and remitting the tax.

Section 54. The person required to file the return shall deliver the return together with a remittance of the amount of the tax due to the department.

Section 55. (1) For purposes of facilitating the administration, payment, or collection of the taxes levied by this Article, the department may, within its discretion, permit or require returns or tax payments for periods other than those prescribed by Sections 50 and 51.

(2) Notwithstanding the provisions of Section 51 of this Article, any retailer who desires to file his return on a quarterly basis shall make application in writing to the department at least ninety days prior to the due date of such quarterly return. When permitted, quarterly returns shall be filed in such manner as the department may prescribe. No retailer may change from a quarterly reporting system to monthly reporting without authorization of the department.

(3) In no case shall a retailer be permitted to file quarterly unless monthly payments for the immediately preceding month are made on the basis of taxable gross receipts or total sales price of property used, consumed, or stored, as the case may be.

Section 56. For the purposes of the sales tax, gross receipts from rentals or leases of tangible personal property shall be reported and the tax paid in accordance with such rules and regulations as the department may prescribe.

Section 57. (1) The use tax of 3 percent is hereby levied upon the storage, use or other consumption in this state of any motor vehicles, other than motor vehicles defined under the provisions of KRS 138.450, machines, machinery, tools or other equipment brought, imported or caused to be brought into this state for use in constructing, building or repairing any building, highway, street, sidewalk, bridge, culvert, sewer or water system, drainage or dredging system, electric or steam railways system, reservoir or dam, hydraulic or power plant, transmission line, tower, dock, wharf, excavation, grading or other improvement or structures, or any part thereof. The owner or, if the property is leased the lessee of any such motor vehicle other than motor vehicles defined under the provisions of KRS 138.450, machine, machinery, tools or other equipment shall be liable for the tax provided for in this Article, to be computed as set out below. The useful life of such motor vehicles, machines, tools or other equipment shall be determined by the department in accordance with the depreciable value permitted under Chapter 141 and regulations issued pursuant thereto. Said use tax shall be computed on the basis of such proportion of the original purchase price of such property as the duration of time of use in this state bears to the total useful life. Such tax shall become due immediately upon such property's being brought into this state, and in the absence of satisfactory evidence as to the period of use intended in this state, it shall be presumed that such property will remain in this state for the remainder of its useful life.

(2) The provisions of this section shall not be applicable with respect to sales of such property within this state or to the use, storage or consumption of such property when purchased for use in this state, and in such cases the full sales or use tax shall be paid as in all other cases, irrespective of the period of intended use in this state.

Section 58. (1) The department shall upon written request received on or prior to the due date of the return or tax, for good cause satisfactory to the department, extend the time for filing the return or paying the tax for a period not exceeding thirty days.

(2) Any person to whom an extension is granted and who pays the tax within the period for which the extension is granted shall pay, in addition to the tax, interest at the rate of six percent per annum from the date on which the tax would otherwise have been due.

Section 59. (1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four years from the date the return was filed, except as provided in subsection (2) of this section, and except that in the case of a failure to file a return or of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.

(2) For the purpose of subsection (1) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

(3) When a business is discontinued, a determination may be made at any time thereafter within the periods specified in subsection (1) of this section as to liability arising out of that business, irrespective of whether the determination is issued prior to the due date of the liability as otherwise specified in this Article.

Section 60. The amount of the excess, exclusive of penalties, shall bear interest at the rate of one-half of one percent per month, or fraction thereof, from the last day of the month following the reporting period for which the amount or any portion thereof should have been remitted until the date of payment.

Section 61. In making a determination of tax liability the department may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments.

Section 62. In every case, any tax not paid on or before the due date shall bear interest at the rate of six percent per annum from the date due until the date of payment.

Section 63. (1) Whenever it is deemed necessary to insure compliance with this Article, the department may require any person subject thereto to place with it such security as the department may determine. The amount of the security shall be fixed by the department but, except as provided in subsection (2), shall not be greater than twice the estimated average liability of persons filing returns for quarterly periods or three times the estimated average liability of persons required to file returns for monthly periods, determined in such manner as the department deems proper, or $10,000, whichever amount is the lesser.

(2) In case of persons habitually delinquent in their obligations under this Article, the amount of the security shall not be greater than three times the average liability of persons filing returns for quarterly periods or five times the average liability of persons required to file returns for monthly periods, or $10,000, whichever amount is the lesser.

(3) The limitations herein provided apply regardless of the type of security placed with the department.

(4) The amount of the security may be increased or decreased by the department subject to the limitations herein provided.

(5) The department may sell the security at public auction if it becomes necessary to so do in order to recover any tax, interest or penalty due. Security in the form of a bearer bond issued by the United States or any state or local governmental unit which has a prevailing market price may, however, be sold by the department at a private sale at a price not lower than the prevailing market price thereof.

The department shall give notice of the date, time and place of the sale to the person who placed the security by certified mail addressed to him at his last known address as it appears in the records of the department, or delivery to such person.

Delivery means handing it to such person or leaving it at his place of business with the person in charge thereof; or, if there is no one in charge, leaving it in a conspicuous place therein; or, if the place of business is closed or the person to be served has no place of business, leaving it at his dwelling house with some person of suitable age and discretion residing therein. Said notice, if by certified mail, shall be postmarked no later than ten days prior to said sale; if by delivery, said notice shall be given no later than ten days prior to said sale.

(6) Upon any sale any surplus above the amounts due shall be returned to the person who placed the security.

Section 64. If any retailer liable for any amount under this Article sells out his business or stock of goods, or otherwise quits business, his successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the department showing that it has been paid or a certificate stating that no amount is due.

Section 65. (1) If the purchaser of a business or stock of goods fails to withhold the purchase price as required, he becomes personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price, valued in money. Within sixty days after receiving a written request from the purchaser for a certificate, or within sixty days from the date the former owner's records are made available for audit, whichever period expires the later, but in any event not later than ninety days after receiving the request, the department shall either issue the certificate or mail notice to the purchaser at his address as it appears on the records of the department of the amount that must be paid as a condition to issuing the certificate.

(2) Failure of the department to mail the notice will release the purchaser from any further obligation to withhold the purchase price as above provided.

(3) The time within which the obligation of a successor may be enforced shall start to run at the time the retailer sells out his business or stock of goods or at the time that the determination against the retailer becomes final, whichever event occurs the later.

Section 66. No credit or refund of any amount paid pursuant to the provisions of this Article shall be allowed on the ground that the storage, use or other consumption of the property is not subject to the tax levied under this Article, unless the person who paid the amount reimburses his vendor for the amount of the sales tax imposed upon his vendor with respect to the sale of the property and paid by the vendor to the state.

Section 67. The department may, in its discretion, upon application authorize the collection of the tax imposed herein by any retailer not engaged in business within this state who, to the satisfaction of the department furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued a permit to collect such tax in such manner, and subject to such regulation and agreements as the department shall prescribe. When so authorized, it shall be the duty of such retailer to collect the tax upon all tangible personal property sold to his knowledge for use within this state, in the same manner and subject to the same requirements as a retailer engaged in business within this state.

Section 68. The department shall administer the provisions of this Article and shall have all of the powers, rights, duties, and authority with respect to the assessment, collection, refunding, and administration of the taxes levied by this Article, conferred generally upon the department by the Kentucky Revised Statutes including Chapters 131, 134, and 135.

Section 69. (1) Every seller, every retailer, and every person storing, using and otherwise consuming in this state tangible personal property purchased from a retailer shall keep such records, receipts, invoices, and other pertinent papers in such form as the department may require.

(2) Every such seller, retailer, or person who files the returns required under this Article shall keep such records for not less than four years from the making of such records unless the department in writing sooner authorizes their destruction.

Section 70. In the administration of the use tax, the department may require the filing of reports by any person or class of persons having in his or their possession or custody information relating to sales of tangible personal property, the storage, use, or other consumption of which is subject to the tax. The report shall be filed at the time specified by the department and shall contain such information as the department may require.

Section 71. (1) No judgment shall be entered and no garnishment or attachment shall be permitted by any court in this Commonwealth in an action for the collection of a debt arising out of the sale of tangible personal property unless an affidavit containing a certificate of service is executed by the plaintiff to the effect that all use taxes due the Commonwealth have been paid.

(2) Prior to the filing of the affidavit, required under subsection (1) of this section, the plaintiff (including counter-claimants or cross-claimants) shall, by first-class mail, serve upon the department a copy of the affidavit. Within fifteen days from the date of the filing of the affidavit the department may file a counter-affidavit. In such event no judgment shall be entered or garnishment or attachment issued until proof has been taken concerning the matters at issue in the affidavit and counter-affidavit.

(3) In the event the use tax levied by this Article is found to be due and unpaid the plaintiff may elect to pay the tax to the department, and the amount of the tax paid by the plaintiff shall be recovered as a part of any judgment entered. If the plaintiff does not

elect to pay the use tax found to be due and unpaid, judgment for the amount of the tax shall be awarded to the Commonwealth.

(4) Any judgment awarded to the Commonwealth under this section shall constitute a prior claim to any judgment obtained by the plaintiff.

(5) Tax as defined herein includes interest accrued thereon at the rate of six percent per annum.

(6) The provisions of this section shall not apply to a plaintiff holding a retail permit issued pursuant to this Article.

Section 72. The tax levied by Section 31 of this Article shall not apply with respect to the storage, use or other consumption of tangible personal property in this state upon which a tax substantially identical to the tax levied under Section 20 of this Article (not including any special excise taxes such as are imposed on alcoholic beverages, cigarettes and the like) equal to or greater than the amount of tax imposed by Section 31 of this Article has been paid in another state. Proof of payment of such tax shall be according to rules and regulations of the department. If the amount of tax paid in another state is not equal to or greater than the amount of tax imposed by Section 31 of this Article, then the taxpayer shall pay to the department an amount sufficient to make the tax paid in the other state and in this state equal to the amount imposed by Section 31 of this Article. No credit shall be given under this section for sales taxes paid in another state if that state does not grant credit for sales taxes paid in this state.

Section 73. Persons regularly engaged in the transportation of tangible personal property from retail outlets located outside this state and making local deliveries of such property to the personal or business residences of purchasers for storage, use or other consumption in this state, shall collect the use tax imposed by this Article. The collection of the tax shall not apply to any deliveries of tangible personal property purchased from a vendor who holds a retailer's permit issued by the department pursuant to this Article, or to the delivery of tangible personal property to a purchaser who certifies in writing, in such form as the department may prescribe, that the tax imposed by Section 31 has been paid or is not applicable. Such certifications shall be kept by the transporter for a period not less than two years and, upon reasonable request, be available to the department for inspection and copying. The tax shall be remitted and reports filed in the same manner and at the times required of retailers engaged in business in this state.

Section 74. (1) Whenever any person fails to comply with any provisions of this Article or any rule or regulation of the department relating to the provisions of this Article, the department may revoke or suspend any one or more of the permits held by the person.

(2) Any such order revoking or suspending a permit or permits shall be subject to review in the manner provided in KRS 131.110 (2), 131.120 and 131.125.

(3) The department shall not issue a new permit after the revocation of a permit unless it is satisfied that the former holder of the permit will comply with the provisions of this Article and the regulations relating thereto.

(4) No suit shall be maintained in any court to restrain or delay the collection or payment of any tax levied by this Article.

Section 75. If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the department, the department may make an estimate of the tax liability under this Article from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of ten percent of the amount of the tax assessed. This penalty shall be in addition to all other applicable penalties in this Article.

Section 76. If any taxpayer fails to make and file a return required by this Article on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent of the tax found to be due by the department shall be added to the tax for each thirty days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent of the tax.

Section 77. If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this Article shall apply.

Section 78. If the tax imposed by this Article, whether assessed by the department, or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon the upaid amount at the rate of six percent per annum from the date prescribed for its payment until payment is actually made to the department. If any assessment made by the department is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent of the tax for each month the tax remains unpaid.

Section 79. Any person required under the provisions of this Article or regulations adopted thereunder to furnish a statement or certificate (including the certificate referred to in Section 73 of this Article), who furnishes a statement or certificate containing any false or fraudulent statement, or who wilfully fails to furnish such a statement or certificate in the manner and at the time required under this Article and regulations, shall, for each such failure be subject to a civil penalty of ten dollars. Such penalty shall be assessed and collected by the department, and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.

Section 80. Any person who gives a resale certificate for property, knowing at the time of purchase that such property is not to be resold by him in the regular course of business, for the purpose of evading the tax imposed under this Article shall, upon conviction, be subject to a fine of not less than ten nor more than one hundred dollars or imprisoned in jail for a period not exceeding thirty days, or both such fine and imprisonment.

Section 81. A person who engages in business as a seller in this state without a permit or permits as required by this Article or after a permit has been suspended, and each officer of any corporation which is so engaged in business, is guilty of a misdemeanor and upon conviction thereof shall be fined not less than ten nor more than one hundred dollars, or imprisoned for not more than thirty days, or both such fine and imprisonment.

Section 82. Any person who violates any of the provisions of Sections 22, 36, 37, 67, or 73 of this Article shall, upon conviction, be subject to a fine of not less than ten nor more than one hundred dollars, or imprisoned in jail for a period not exceeding thirty days, or both such fine and imprisonment.

Section 83. Any person who violates any of the regulations promulgated by the department under Section 23 of this Article shall, upon conviction, be subject to a fine of not less than ten nor more than one hundred dollars or imprisoned in jail for a period not exceeding thirty days, or both such fine and imprisonment.

Section 84. Unless otherwise expressly provided in this Article, the exemptions provided for in any section, or sections, of the Kentucky Revised Statutes, including KRS 279.200 and 279.530, shall not be applicable with respect to the taxes levied by this Article, and to the extent such section, or sections, are inconsistent herewith, the same are hereby repealed.

Section 85. The taxes imposed by this Article shall be in addition to any excise, license, privilege or other tax imposed under existing provisions of the Kentucky Revised Statutes, including KRS 279.200 and 279.530, as amended by this Act.

ARTICLE II

Section 1. All revenue derived from taxes imposed by Article I with respect to the sale or use of motor vehicles that are propelled by other than muscular power and that are used for transportation of persons or property over the public highways of the state shall be credited in accordance with the provisions of Section 230 of the Kentucky Constitution, KRS 177.595 and Chapter 48, 1958 Acts.

Section 2. Section 138.470 of the Kentucky Revised Statutes is amended to read as follows:

There is expressly exempted from the tax imposed by KRS 138.460:

(1) Motor vehicles sold to the United States or to the Commonwealth of Kentucky.

(2) Used motor vehicles registered or licensed in this state during the same or immediately preceding license period.

ARTICLE III

Section 1. Section 141.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this Chapter, unless the context requires otherwise:

(1) "Commissioner" means the Commissioner of Revenue.

(2) "Department" means the Department of Revenue.

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on January 1, 1956.

(4) "Dependent" means those persons defined as dependents under Section 152 of the Internal Revenue Code.

(5) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator or any person acting in any fiduciary capacity for any person, estate or trust.

(6) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(7) "Individual" means a natural person.

(8) "Federal income tax" means income tax paid or accrued to the United States Government on income subject to assessment and taxation under the provisions of this chapter.

(9) "Net income," in the case of taxpayers other than corporations, means "taxable income" as defined in Section 63 (a) of the Internal Revenue Code adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Constitution and statutory laws of the United States.

(b) Exclude dividend income received during the taxable year upon stock of banks and trust companies organized under the laws of this state.

(c) Deduct "Federal income tax."

(d) Exclude the "net operating loss deduction."

(e) Include interest income derived from obligations of sister states and political subdivisions thereof.

(f) Include refunds of Federal income tax.

(g) Exclude any deduction for state taxes measured by net income.

(h) Exclude any deductions for amounts allowable under KRS 140.090 (h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been allowed under KRS 140.090 (h).

(i) Exclude the deduction for personal exemptions allowed under Section 151 of the Internal Revenue Code and any other deductions in lieu thereof.

Provided that partial exclusion of dividends received by individuals which is authorized by Section 116 of the Internal Revenue Code shall not be allowed.

If the taxpayer elects to deduct the standard deduction set forth in KRS 141.081, then "net income" means adjusted gross income less the standard deduction.

(10) "Net income," in the case of corporations, means "taxable income" as defined in Section 63 (a) of the Internal Revenue Code adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Constitution and statutory laws of the United States.

(b) Exclude dividend income received during the taxable year upon stocks of banks and trust companies organized under the laws of this state.

(c) Include Federal income tax refunds.

(d) Include interest income derived from obligations of sister states and political subdivisions thereof.

(e) Exclude any deduction for state taxes measured by net income.

(f) Exclude the "net operating loss deduction."

(g) Exclude the special deductions, which relate to dividends and interest, allowable under Section 241 to 247, inclusive, of the Internal Revenue Code.

(11) "Taxable net income," in the case of corporations, means "net income" derived from business done, property located, activities or sources in this state less "Federal income tax."

(12) "Adjusted gross income" means the same as adjusted gross income defined in Section 62 of the Internal Revenue Code, adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Constitution and statutory laws of the United States.

(b) Exclude dividend income received during the taxable year upon stock of banks and trust companies organized under the laws of this state.

(c) Deduct "Federal income tax."

(d) Exclude the "net operating loss deduction."

(e) Include interest income derived from obligations of sister states and political subdivisions thereof.

(f) Include refunds of Federal income tax.

Provided that partial exclusion of dividends received by individuals which is authorized by Section 116 of the Internal Revenue Code shall not be allowed in determining "adjusted gross income."

(13) "Person" means and includes an individual, a fiduciary, a partnership, an employer, an employee and a corporation.

(14) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the commissioner, "taxable year" means the period for which such return is made.

(15) "Net operating loss deduction" means the deduction allowed under Section 172 of the Internal Revenue Code.

(16) "Resident" means any individual domiciled within this state.

(17) "Nonresident" means any individual not a resident of this state.

(18) "Employer" means "employer" as defined in Section 3401 (d) of the Internal Revenue Code.

(19) "Employee" means "employee" as defined in Section 3401 (c) of the Internal Revenue Code.

(20) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero.

(21) "Wages" means "wages" as defined in Section 3401 (a) of the Internal Revenue Code.

(22) "Payroll period" means a period for which a payment of wages is ordinarily made to the employee by his employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, quarterly, semiannual, or annual payroll period.

(23) For the purpose of determining the maximum limitations of medical and dental expense deduction:

(a) "Head of household" means head of household as defined in Section 1 (b) (2) of the Internal Revenue Code.

(b) "Surviving spouse" means "surviving spouse" as defined in Section 2 (b) of the Internal Revenue Code.

(24) "Corporations" includes associations and joint stock companies.

(25) "Gross Income" means "gross income" as defined in Section 61 of the Internal Revenue Code adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Constitution and statutory laws of the United States.

(b) Exclude dividend income received during the taxable year upon stock of banks and trust companies organized under the laws of this state.

(c) Include interest income derived from obligations of sister states or political subdivisions thereof.

(d) Include refunds of Federal income tax.

Partial exclusion of dividends received by individuals which is authorized by Section 116 of the Internal Revenue Code shall not be allowed.

Section 2. Section 141.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) With respect to taxable years beginning after December 31, 1960, an annual tax shall be paid for each taxable year by every resident individual of this state upon his entire net income as defined in this chapter. The tax shall be determined by applying the rates in subsection (2) to net income and subtracting allowable tax credits provided in subsection (3).

(2) The following rates shall be applied to net income:

(a) Two percent of the amount of net income not exceeding three thousand dollars;

(b) Three percent of the amount of net income in excess of three thousand dollars but not in excess of four thousand dollars;

(c) Four percent of the amount of net income in excess of four thousand dollars but not in excess of five thousand dollars;

(d) Five percent of the amount of net income in excess of five thousand dollars but not in excess of eight thousand dollars;

(e) Six percent of the amount of net income in excess of eight thousand dollars.

(3) The following tax credits, when applicable, shall be deducted from the result obtained under subsection (2) to arrive at the annual tax:

(a) Twenty dollars for an unmarried individual;

(b) Twenty dollars for a married individual filing a separate return and an additional twenty dollars for the spouse of taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer; or forty dollars for married persons filing a joint return, provided neither spouse is the dependent of another taxpayer. The determination of marital status for the purpose of this section shall be made in the manner prescribed in Section 153 of the Internal Revenue Code;

(c) Twenty dollars credit for each dependent whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than six hundred dollars, or who is a child, as defined in Section 151 (e) (3) of the Internal Revenue Code, of the taxpayer and who (1) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or (2) is a student. No exemption shall be allowed for any dependent who has made a joint return with his spouse;

(d) An additional twenty dollars credit if the taxpayer has attained the age of sixty-five before the close of the taxable year;

(e) An additional twenty dollars credit for taxpayer's spouse if a separate return is made by the taxpayer and if the taxpayer's spouse has attained the age of sixty-five before the close of the taxable year, and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer;

(f) An additional twenty dollars credit if the taxpayer is blind at the close of the taxable year;

(g) An additional twenty dollars credit for taxpayer's spouse if a separate return is made by the taxpayer and if the taxpayer's spouse is blind, and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer;

(h) In the case of nonresidents, the tax credits allowable under this subsection shall be that proportion of those permitted therein that is represented by the ratio of the taxpayer's net income in this state to his total net income from all sources; or, if the taxpayer elects to pay the tax under KRS 141.025, as represented by the ratio of the taxpayer's adjusted gross income in this state to his total adjusted gross income;

(i) In the case of a fiduciary, other than an estate, the allowable tax credit shall be two dollars;

(j) In the case of an estate, the allowable tax credit shall be twenty dollars.

(4) An annual tax shall be paid for each taxable year as specified in this section upon the entire net income, except as herein provided, from all tangible property located in this state, from all intangible property that has acquired a business situs in this state, and from business, trade, profession, occupation or other activities carried on in this state, by natural persons not residents of this state. A nonresident individual shall be taxable only upon the amount of income received by him from labor performed, business done or from other activities in this state, from tangible property located in this state, and from intangible property that has acquired a business situs within this state. The remainder of the income received by him shall be deemed nontaxable by this state.

(5) Subject to the provisions of KRS 141.081 and KRS 141.082, any individual may elect to pay the annual tax imposed by KRS 141.025 in lieu of the tax levied under this section.

Section 3. Section 141.025 of the Kentucky Revised Statutes is amended to read as follows:

With respect to taxable years beginning after December 31, 1960, any individual whose adjusted gross income for the taxable year for which the return is filed does not exceed eight thousand dollars may elect to compute his annual tax under this section. This annual tax shall be determined by deducting the tax credits authorized by KRS 141.020 (3) from the amount indicated by the following table to arrive at the annual tax:

OPTIONAL TABLE

If Adjusted Gross Income Is Over	But Not Over	Amount Shall Be	If Adjusted Gross Income Is Over	But Not Over	Amount Shall Be
$ 0	$ 50	$ .45	2,900	2,950	52.65
50	100	1.35	2,950	3,000	53.55
100	150	2.25	3,000	3,050	54.45
150	200	3.15	3,050	3,100	55.35
200	250	4.05	3,100	3,150	56.25
250	300	4.95	3,150	3,200	57.15
300	350	5.85	3,200	3,250	58.05
350	400	6.75	3,250	3,300	58.95
400	450	7.65	3,300	3,350	59.85
450	500	8.55	3,350	3,400	61.13
500	550	9.45	3,400	3,450	62.48
550	600	10.35	3,450	3,500	63.83
600	650	11.25	3,500	3,550	65.18
650	700	12.15	3,550	3,600	66.53
700	750	13.05	3,600	3,650	67.88
750	800	13.95	3,650	3,700	69.23
800	850	14.85	3,700	3,750	70.58
850	900	15.75	3,750	3,800	71.93
900	950	16.65	3,800	3,850	73.28
950	1,000	17.55	3,850	3,900	74.63
1,000	1,050	18.45	3,900	3,950	75.98
1,050	1,100	19.35	3,950	4,000	77.33
1,100	1,150	20.25	4,000	4,050	78.68
1,150	1,200	21.15	4,050	4,100	80.03
1,200	1,250	22.05	4,100	4,150	81.38
1,250	1,300	22.95	4,150	4,200	82.72
1,300	1,350	23.85	4,200	4,250	84.08
1,350	1,400	24.75	4,250	4,300	85.43
1,400	1,450	25.65	4,300	4,350	86.78
1,450	1,500	26.55	4,350	4,400	88.13
1,500	1,550	27.45	4,400	4,450	89.48
1,550	1,600	28.35	4,450	4,500	91.10
1,600	1,650	29.25	4,500	4,550	92.90
1,650	1,700	30.15	4,550	4,600	94.70
1,700	1,750	31.05	4,600	4,650	96.50

If Adjusted Gross Income Is Over	But Not Over	Amount Shall Be	If Adjusted Gross Income Is Over	But Not Over	Amount Shall Be
1,750	1,800	31.95	4,650	4,700	98.30
1,800	1,850	32.85	4,700	4,750	100.10
1,850	1,900	33.75	4,750	4,800	101.90
1,900	1,950	34.65	4,800	4,850	103.70
1,950	2,000	35.55	4,850	4,900	105.50
2,000	2,050	36.45	4,900	4,950	107.30
2,050	2,100	37.35	4,950	5,000	109.10
2,100	2,150	38.25	5,000	5,050	111.00
2,150	2,200	39.15	5,050	5,100	113.00
2,200	2,250	40.05	5,100	5,150	115.00
2,250	2,300	40.95	5,150	5,200	117.00
2,300	2,350	41.85	5,200	5,250	119.00
2,350	2,400	42.75	5,250	5,300	121.00
2,400	2,450	43.65	5,300	5,350	123.00
2,450	2,500	44.55	5,350	5,400	125.00
2,500	2,550	45.45	5,400	5,450	127.00
2,550	2,600	46.35	5,450	5,500	129.00
2,600	2,650	47.25	5,500	8,000	130.00 plus 5% of excess of $5,500
2,650	2,700	48.15			
2,700	2,750	49.05			
2,750	2,800	49.95			
2,800	2,850	50.85			
2,850	2,900	51.75			

Section 4. Section 141.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever an individual who is a resident of this state has become liable for income tax to another state upon all or any part of his net income for the taxable year, derived from sources without this state and subject to taxation under this chapter, the amount of income tax payable by him under this chapter shall be credited on his return with the income tax so paid by him to the other state, upon his producing to the proper assessing officer satisfactory evidence of the fact of such payment, except that application of such credits shall not operate to reduce the tax payable under this chapter to an amount less than would have been payable were the income from the other state ignored. The credit provided for by this subsection shall not be granted to a taxpayer when the laws of the other state, under which the income in question is subject to tax assessment, provide for a credit to the taxpayer substantially similar to that granted by subsection (2).

(2) Whenever an individual not a resident of this state has be-

come liable for income tax to the state where he resides upon his net income for the taxable year, derived from sources within this state and subject to taxation under this chapter, the amount of income tax payable by him under this chapter shall be credited with the proportion of the tax so payable by him to the state where he resides that his income subject to taxation under this chapter bears to his entire income upon which the tax so payable to the other state was imposed, but only if the laws of the other state grant a substantially similar credit to residents of this state subject to income tax under such laws, or impose a tax upon the personal incomes of its residents derived from sources in this state and exempt from taxation the personal incomes of residents of this state. No credit shall be allowed against the amount of the tax on any income taxable under this chapter that is exempt from taxation under the laws of the other state.

(3) An individual who is not a resident of this state shall not be liable for any income tax under KRS 141.020 (5) if the laws of the state of which such individual was a resident at the time such income was earned in this state contained a reciprocal provision under which nonresidents were exempted from gross or net income taxes to such state, provided the state of residence of such nonresident individual allowed a similar exemption to resident individuals of this state. The exemption authorized by this subsection shall in no manner preclude the Department of Revenue from requiring any information reports pursuant to KRS 141.150 (2).

(4) The Commissioner of Revenue may, with the approval of the Attorney General, enter into agreements with the taxing authorities of states having income tax withholding statutes with such agreements to govern the amounts to be withheld from the wages and salaries of residents of such other state or states under the provisions of this chapter when such other state or states grant similar treatment to the residents of this state. Such agreements may provide for recognition of the anticipated tax credits allowed under this section in determining the amounts to be withheld.

Section 5. Section 141.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every individual, except as otherwise provided in this section, having for the taxable year a net income of one thousand dollars or over or a gross income of twelve hundred dollars or over, if single, or if married and not living with husband or wife and every married individual living with husband or wife whose net income combined with the net income of his or her spouse exceeds two thousand dollars, or whose gross income combined with the gross income of his or her spouse exceeds twenty-five hundred dollars, shall make to the department a return stating specifically the items which he claims as deductions and tax credits allowed by this chapter. Any individual who is

blind or who has attained the age of sixty-five before the close of his taxable year or who qualified as a head of household shall be required to make a return only if he has for the taxable year a net income which exceeds two thousand dollars or a gross income which exceeds twenty-five hundred dollars. If the individual is unable to make his own return, the return shall be made by a duly authorized agent.

(2) A husband and wife not living together shall make separate returns. A husband and wife living together may make a joint return, or may make separate returns.

(3) An optional return properly filed under the provisions of KRS 141.025 shall be deemed sufficient to satisfy the provisions of this section.

(4) Each individual return shall be verified by a written declaration that it is made under the penalties of perjury.

Section 6. Section 141.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every fiduciary, except a receiver appointed by authority of law in possession of part only of the property of an individual, shall make under oath a return for any of the following individuals, estates, or trusts for which he acts, setting forth therein such information as may be prescribed by the department:

(a) Every individual having a gross income for the taxable year of twelve hundred dollars or over;

(b) Every estate the gross income of which for the taxable year is twelve hundred dollars or over;

(c) Every trust the gross income of which for the taxable year is one hundred dollars or over.

(2) Any fiduciary required to make a return under this chapter shall be subject to all the provisions of this chapter that apply to individuals.

Section 7. Section 141.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every individual shall, at the time prescribed in subsection (3), make a declaration of his estimated tax for the taxable year if his gross income from sources other than wages upon which Kentucky income tax will be withheld can reasonably be expected to exceed one thousand dollars for the taxable year and his gross income can reasonably be expected to be an amount not less than the amount for which a return is required under KRS 141.180, as amended by this Act.

(2) In the declaration required under subsection (1) the individual shall state:

(a) The amount which he estimates as the amount of tax under KRS 141.020 for the taxable year;

(b) The amount which he estimates as the credits for the taxable year under KRS 141.310 and KRS 141.315;

(c) The excess of the amount estimated under paragraph (a) over the amount estimated under paragraph (b), which excess for purposes of this chapter shall be considered the estimated tax for the taxable year;

(d) Such other information as may be prescribed in regulations promulgated by the department.

(3) The declaration required under subsection (1) shall be filed with the department on or before April 15 of the taxable year, except that if the requirements of subsection (1) are first met;

(a) After April 1 and before July 2 of the taxable year, the declaration shall be filed on or before July 15 of the taxable year; or

(b) After July 1 and before November 2 of the taxable year, the declaration shall be filed on or before November 15 of the taxable year; or

(c) After November 1 of the taxable year, the declaration shall be filed on or before February 15 of the succeeding taxable year.

(4) An individual may make amendments of a declaration filed during the taxable year under subsection (3), under regulations prescribed by the department.

(5) If on or before February 15 of the succeeding taxable year the taxpayer files a return for the taxable year for which the declaration is required and pays in full the amount computed on the return as payable then, under regulations prescribed by the department:

(a) If the declaration is not required to be filed during the taxable year, but is required to be filed on or before such February 15, such return shall, for the purposes of this section, be considered as such declaration; and

(b) If the tax shown on the return, reduced by the credits under KRS 141.350, is greater than the estimated tax shown in a declaration previously made or, in the last amendment thereof, such return shall, for the purposes of this section, be considered as the amendment of the declaration permitted by subsection (4) to be filed on or before such February 15.

(6) The department shall promulgate regulations governing rea-

sonable extensions of time for filing declarations and paying the estimated tax. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

(7) If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

(8) For the purposes of KRS 131.190, a declaration of estimated tax shall be held and considered a return of income under this chapter.

Section 8. Section 141.360 of the Kentucky Revised Statutes is amended to read as follows:

Unless the tax levied under KRS 141.310 is determined as provided in KRS 141.315, such tax shall be determined in accordance with the following tables for all payments of wages made on and after January 1, 1961.

Commonwealth of Kentucky

DEPARTMENT OF REVENUE

WITHHOLDING TAX TABLES

If the payroll period with respect to an employe is QUARTERLY

And the wages are		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of tax to be withheld shall be—										
$ 0	$ 300	2% of wages	0	0	0	0	0	0	0	0	0	0
300	312	4.62	.15	0	0	0	0	0	0	0	0	0
312	324	4.77	.33	0	0	0	0	0	0	0	0	0
324	336	4.95	.51	0	0	0	0	0	0	0	0	0
336	348	5.13	.69	0	0	0	0	0	0	0	0	0
348	360	5.31	.84	0	0	0	0	0	0	0	0	0
360	372	5.49	1.02	0	0	0	0	0	0	0	0	0
372	384	5.67	1.20	0	0	0	0	0	0	0	0	0
384	396	5.85	1.38	0	0	0	0	0	0	0	0	0
396	408	6.03	1.56	0	0	0	0	0	0	0	0	0
408	420	6.21	1.74	0	0	0	0	0	0	0	0	0
420	432	6.39	1.92	0	0	0	0	0	0	0	0	0
432	444	6.57	2.10	0	0	0	0	0	0	0	0	0
444	456	6.72	2.28	0	0	0	0	0	0	0	0	0
456	468	6.90	2.46	0	0	0	0	0	0	0	0	0
468	480	7.08	2.64	0	0	0	0	0	0	0	0	0
480	492	7.26	2.79	0	0	0	0	0	0	0	0	0
492	504	7.44	2.97	0	0	0	0	0	0	0	0	0
504	516	7.62	3.15	0	0	0	0	0	0	0	0	0
516	528	7.80	3.33	0	0	0	0	0	0	0	0	0
528	540	7.98	3.51	0	0	0	0	0	0	0	0	0
540	552	8.16	3.69	0	0	0	0	0	0	0	0	0
552	564	8.31	3.87	0	0	0	0	0	0	0	0	0
564	576	8.49	4.05	0	0	0	0	0	0	0	0	0
576	588	8.67	4.23	0	0	0	0	0	0	0	0	0
588	600	8.85	4.41	0	0	0	0	0	0	0	0	0
600	612	9.03	4.56	.12	0	0	0	0	0	0	0	0
612	624	9.18	4.74	.30	0	0	0	0	0	0	0	0
624	636	9.36	4.92	.48	0	0	0	0	0	0	0	0
636	648	9.54	5.10	.66	0	0	0	0	0	0	0	0
648	660	9.72	5.28	.81	0	0	0	0	0	0	0	0
660	672	9.87	5.46	.99	0	0	0	0	0	0	0	0
672	684	10.05	5.64	1.17	0	0	0	0	0	0	0	0
684	696	10.23	5.82	1.35	0	0	0	0	0	0	0	0
696	708	10.41	6.00	1.53	0	0	0	0	0	0	0	0
708	720	10.56	6.15	1.71	0	0	0	0	0	0	0	0

$ 720	$ 744	10.92	6.51	2.07	0							
744	768	11.28	6.87	2.43	0	0	0	0	0	0	0	0
768	792	11.61	7.20	2.76	0	0	0	0	0	0	0	0
792	816	11.97	7.56	3.12	0	0	0	0	0	0	0	0
816	840	12.30	7.89	3.48	0	0	0	0	0	0	0	0
840	864	12.66	8.25	3.84	0	0	0	0	0	0	0	0
864	888	12.99	8.58	4.23	0	0	0	0	0	0	0	0
888	912	13.35	8.94	4.53	.11	0	0	0	0	0	0	0
912	936	13.68	9.30	4.89	.65	0	0	0	0	0	0	0
936	960	14.04	9.63	5.37	1.19	0	0	0	0	0	0	0
960	984	14.40	9.99	5.91	1.73	0	0	0	0	0	0	0
984	1,008	14.73	10.50	6.45	2.24	0	0	0	0	0	0	0
1,008	1,032	15.12	11.01	6.96	2.78	0	0	0	0	0	0	0
1,032	1,056	15.63	11.52	7.50	3.32	0	0	0	0	0	0	0
1,056	1,080	16.17	12.06	8.04	3.83	0	0	0	0	0	0	0
1,089	1,104	16.68	12.57	8.55	4.37	.19	0	0	0	0	0	0
1,104	1,128	17.19	13.08	9.09	4.91	.70	0	0	0	0	0	0
1,128	1,152	17.67	13.62	9.63	5.45	1.24	0	0	0	0	0	0
1,152	1,176	18.18	14.13	10.17	5.96	1.78	0	0	0	0	0	0
1,176	1,200	18.66	14.64	10.68	6.50	2.32	0	0	0	0	0	0
1,200	1,260	19.92	15.96	12.03	7.94	4.03	.09	0	0	0	0	0
1,260	1,320	21.15	17.19	13.62	9.71	5.80	1.86	0	0	0	0	0
1,320	1,380	22.38	18.75	15.39	11.48	7.57	3.78	0	0	0	0	0
1,380	1,440	24.00	20.40	17.16	13.34	9.52	5.73	1.94	0	0	0	0
1,440	1,500	25.68	22.08	19.05	15.29	11.50	7.74	4.25	.76	0	0	0
1,500	1,560	27.33	23.85	21.00	17.27	13.72	10.20	6.71	3.22	0	0	0
1,560	1,620	29.13	25.71	23.01	19.67	16.18	12.66	9.17	5.68	2.16	0	0
1,620	1,680	30.96	27.66	25.41	22.07	18.64	15.12	11.63	8.14	4.62	1.13	0
1,680	1,740	32.76	29.85	27.84	24.47	21.10	17.58	14.09	10.60	7.08	3.59	.10
1,740	1,800	34.95	32.13	30.24	26.87	23.53	20.04	16.55	13.06	9.54	6.05	2.56
1,800	1,920	39.33	36.57	35.04	31.67	28.33	24.96	21.47	17.98	14.46	10.97	7.48
1,920	2,040	43.71	40.95	39.87	36.50	33.16	29.82	26.39	22.90	19.38	15.89	12.40
2,040	2,160	48.09	45.33	44.67	41.33	37.96	34.62	31.28	27.82	24.30	20.81	17.32
2,160	2,280	52.38	49.71	49.47	46.13	42.79	39.42	36.08	32.74	29.22	25.88	22.69
2,280	2,400	56.52	54.09	54.30	50.93	47.59	44.25	41.06	38.05	34.98	31.79	28.57
2,400	2,520	60.66	58.20	59.07	55.88	52.87	49.83	46.82	43.81	40.77	37.67	34.45
2,520	2,640	64.62	62.16	64.29	61.49	58.48	55.44	52.94	49.93	46.38	43.37	40.21
2,640	2,760	68.55	66.36	69.63	66.98	64.09	61.08	58.04	55.03	52.02	48.98	45.97
2,760	2,880	72.75	71.10	74.94	72.29	69.64	66.69	63.68	60.64	57.63	54.62	51.58
2,880	3,000	77.19	75.63	80.28	77.63	74.95	72.30	69.29	66.25	63.24	60.23	57.19
3,000	3,120	81.66	80.10	85.62	82.94	80.29	77.64	74.90	71.89	68.85	65.84	62.83
3,120	3,240	86.13	84.54	90.93	88.25	85.63	82.95	80.30	77.50	74.46	71.45	68.44
3,240	3,360	90.27	89.01	96.27	93.62	90.94	88.29	85.64	82.96	80.10	77.06	74.05
3,360	3,480	94.38	93.24	101.58	98.93	96.28	93.60	90.95	88.30	85.62	82.70	79.66
3,480	3,600	98.46	97.35	106.80	104.27	101.59	98.94	96.29	93.61	90.96	88.31	85.27
3,600	3,750	103,39	102.48	113.10	110.81	108.25	105 60	102.95	100.27	97.62	94.97	92.29
						4% of all over $3,750 plus						
3,750 and over		103.59	102.48	113.10	110.81	108.25	105.60	102.95	100.27	97.62	94.97	92.29

Commonwealth of Kentucky
DEPARTMENT OF REVENUE
WITHHOLDING TAX TABLES
If payroll period with respect to an employe is MONTHLY

And the wages are		And the number of withholding exemptions claimed is—										
	But less	0	1	2	3	4	5	6	7	8	9	10
At least	than	The amount of tax to be withheld shall be—										
$ 0	$ 100	2% of wages	0	0	0	0	0	0	0	0	0	0
100	104	1.54	.05	0	0	0	0	0	0	0	0	0
104	108	1.59	.11	0	0	0	0	0	0	0	0	0
108	112	1.65	.17	0	0	0	0	0	0	0	0	0
112	116	1.71	.23	0	0	0	0	0	0	0	0	0
116	120	1.77	.28	0	0	0	0	0	0	0	0	0
120	124	1.83	.34	0	0	0	0	0	0	0	0	0
124	128	1.89	.40	0	0	0	0	0	0	0	0	0
128	132	1.95	.46	0	0	0	0	0	0	0	0	0
132	136	2.01	.52	0	0	0	0	0	0	0	0	0
136	140	2.07	.58	0	0	0	0	0	0	0	0	0
140	144	2.13	.64	0	0	0	0	0	0	0	0	0
144	148	2.19	.70	0	0	0	0	0	0	0	0	0
148	152	2.24	.76	0	0	0	0	0	0	0	0	0
152	156	2.30	.82	0	0	0	0	0	0	0	0	0
156	160	2.36	.88	0	0	0	0	0	0	0	0	0
160	164	2.42	.93	0	0	0	0	0	0	0	0	0
164	168	2.48	.99	0	0	0	0	0	0	0	0	0
168	172	2.54	1.05	0	0	0	0	0	0	0	0	0
172	176	2.60	1.11	0	0	0	0	0	0	0	0	0
176	180	2.65	1.17	0	0	0	0	0	0	0	0	0
180	184	2.72	1.23	0	0	0	0	0	0	0	0	0
184	188	2.77	1.29	0	0	0	0	0	0	0	0	0
188	192	2.83	1.35	0	0	0	0	0	0	0	0	0
192	196	2.89	1.41	0	0	0	0	0	0	0	0	0
196	200	2.95	1.47	0	0	0	0	0	0	0	0	0
200	204	3.01	1.52	.04	0	0	0	0	0	0	0	0
204	208	3.06	1.58	.10	0	0	0	0	0	0	0	0
208	212	3.12	1.64	.15	0	0	0	0	0	0	0	0
212	216	3.18	1.70	.22	0	0	0	0	0	0	0	0
216	220	3.24	1.76	.27	0	0	0	0	0	0	0	0
220	224	3.29	1.82	.33	0	0	0	0	0	0	0	0
224	228	3.35	1.88	.39	0	0	0	0	0	0	0	0
228	232	3.41	1.94	.45	0	0	0	0	0	0	0	0
232	236	3.47	2.00	.51	0	0	0	0	0	0	0	0
236	240	3.52	2.05	.57	0	0	0	0	0	0	0	0
240	248	3.64	2.17	.69	0	0	0	0	0	0	0	0
248	256	3.76	2.29	.81	0	0	0	0	0	0	0	0

$ 256	$ 264	3.87	2.40	.92	0	0	0	0	0	0	0	0
264	272	3.99	2.52	1.04	0	0	0	0	0	0	0	0
272	280	4.10	2.63	1.16	0	0	0	0	0	0	0	0
280	288	4.22	2.75	1.23	0	0	0	0	0	0	0	0
283	296	4.33	2.86	1.41	0	0	0	0	0	0	0	0
296	304	4.45	2.98	1.51	.04	0	0	0	0	0	0	0
304	312	4.56	3.10	1.63	.22	0	0	0	0	0	0	0
312	320	4.65	3.21	1.79	.40	0	0	0	0	0	0	0
320	328	4.80	3.33	1.97	.58	0	0	0	0	0	0	0
328	336	4.91	3.50	2.13	.75	0	0	0	0	0	0	0
336	344	5.04	3.67	2.32	.93	0	0	0	0	0	0	0
344	352	5.21	3.84	2.50	1.11	0	0	0	0	0	0	0
352	360	5.39	4.02	2.68	1.28	0	0	0	0	0	0	0
360	368	5.50	4.19	2.83	1.46	.06	0	0	0	0	0	0
368	376	5.73	4.36	3.03	1.64	.23	0	0	0	0	0	0
376	384	5.89	4.54	3.21	1.82	.41	0	0	0	0	0	0
384	392	6.06	4.71	3.39	1.99	.59	0	0	0	0	0	0
392	400	6.22	4.88	3.56	2.17	.77	0	0	0	0	0	0
400	420	6.64	5.32	4.01	2.65	1.34	.03	0	0	0	0	0
420	440	7.05	5.73	4.54	3.24	1.93	.62	0	0	0	0	0
440	460	7.46	6.25	5.13	3.83	2.52	1.26	0	0	0	0	0
460	480	8.00	6.80	5.72	4.45	3.17	1.91	.65	0	0	0	0
480	500	8.56	7.36	6.35	5.10	3.83	2.58	1.42	.25	0	0	0
500	520	9.11	7.95	7.00	5.76	4.57	3.40	2.24	1.07	0	0	0
520	540	9.71	8.57	7.67	6.56	5.39	4.22	3.06	1.89	.72	0	0
540	560	10.32	9.22	8.47	7.36	6.21	5.04	3.86	2.71	1.54	.38	0
560	580	10.92	9.95	9.28	8.16	7.03	5.86	4.70	3.53	2.36	1.20	.03
580	600	11.65	10.71	10.08	8.96	7.84	6.65	5.52	4.35	3.18	2.02	.83
600	640	13.11	12.19	11.68	10.56	9.44	8.32	7.16	3.99	4.82	3.66	2.49
640	680	14.57	13.65	13.29	12.17	11.05	9.94	8.90	7.63	6.46	5.30	4.13
680	720	16.03	15.11	14.89	13.78	12.65	11.54	10.43	9.27	8.10	6.94	5.77
720	760	17.46	16.57	16.49	15.38	14.26	13.14	12.03	10.91	9.74	8.63	7.56
760	800	18.84	18.03	18.10	16.98	15.86	14.75	13.69	12.68	11.66	10.60	9.52
800	840	20.22	19.40	19.69	18.63	17.62	16.61	15.61	14.60	13.59	12.56	11.48
840	880	21.54	20.72	21.43	20.50	19.49	18.48	17.48	16.47	15.46	14.46	13.40
880	920	22.85	22.12	23.21	22.33	21.36	20.36	19.35	18.34	17.34	16.33	15.32
920	960	24.25	23.70	24.98	24.10	23.21	22.23	21.23	20.21	19.21	18.21	17.19
960	1,000	25.73	25.21	26.76	25.88	24.98	24.10	23.10	22.06	21.08	20.08	19.06
1,000	1,040	27.22	26.70	28.54	27.65	26.76	25.88	24.97	23.96	22.95	21.95	20.94
1,040	1,080	28.71	28.18	30.31	29.42	28.54	27.65	26.77	25.83	24.62	23.82	22.61
1,080	1,120	30.09	29.67	32.09	31.21	30.31	29.43	28.55	27.65	26.70	25.69	24.68
1,120	1,160	31.46	31.08	33.86	32.98	32.09	31.26	30.32	29.43	28.54	27.57	26.55
1,160	1,200	32.82	32.45	35.60	34.76	33.86	32.98	32.10	31.20	30.32	29.44	28.42
1,200	1,250	34.53	34.16	37.70	36.94	36.06	35.20	34.32	33.42	32.54	31.66	30.76
1,250 and over						4% of all over $1,250 plus						
		34.53	34.16	37.70	36.94	36.08	35.20	34.32	33.42	32.54	31.66	30.76

If the payroll period with respect to an employe is semi-monthly, tthe amount to be withheld shall be determined by multiplying the wages by two (2), applying the monthly table, and dividing the tax shown on the monthly table by two (2).

Commonwealth of Kentucky

DEPARTMENT OF REVENUE

WITHHOLDING TAX TABLES

If the payroll period with respect to an employe is WEEKLY

And the wages are		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of tax to be withheld shall be—										
$ 0	$ 24	2% of wages	0	0	0	0	0	0	0	0	0	0
24	26	.38	.04	0	0	0	0	0	0	0	0	0
26	28	.42	.07	0	0	0	0	0	0	0	0	0
28	30	.44	.10	0	0	0	0	0	0	0	0	0
30	32	.47	.13	0	0	0	0	0	0	0	0	0
32	34	30	.16	0	0	0	0	0	0	0	0	0
34	36	.53	.19	0	0	0	0	0	0	0	0	0
36	38	.56	.22	0	0	0	0	0	0	0	0	0
38	40	.59	.25	0	0	0	0	0	0	0	0	0
40	42	.62	.28	0	0	0	0	0	0	0	0	0
42	44	.65	.31	0	0	0	0	0	0	0	0	0
44	46	.68	.34	0	0	0	0	0	0	0	0	0
46	48	.71	.37	.02	0	0	0	0	0	0	0	0
48	50	.74	.40	.05	0	0	0	0	0	0	0	0
50	52	.76	.42	.08	0	0	0	0	0	0	0	0
52	54	.79	.45	.11	0	0	0	0	0	0	0	0
54	56	.82	.48	.14	0	0	0	0	0	0	0	0
56	58	.85	.51	.17	0	0	0	0	0	0	0	0
58	60	.88	.54	.20	0	0	0	0	0	0	0	0
60	62	.91	.57	.23	0	0	0	0	0	0	0	0
62	64	.94	.60	.26	0	0	0	0	0	0	0	0
64	66	.97	.63	.29	0	0	0	0	0	0	0	0
66	68	1.00	.65	.32	0	0	0	0	0	0	0	0
68	70	1.02	.68	.35	.01	0	0	0	0	0	0	0
70	72	1.05	.71	.38	.05	0	0	0	0	0	0	0
72	74	1.08	.74	.42	.10	0	0	0	0	0	0	0
74	76	1.11	.77	.45	.14	0	0	0	0	0	0	0
76	78	1.14	.82	.51	.19	0	0	0	0	0	0	0
78	80	1.18	.66	.55	.23	0	0	0	0	0	0	0
80	82	1.22	.90	.59	.27	0	0	0	0	0	0	0
82	84	1.26	.95	.63	.32	0	0	0	0	0	0	0
84	86	1.31	.99	.68	.36	.04	0	0	0	0	0	0
86	88	1.35	1.03	.73	.41	.09	0	0	0	0	0	0
88	90	1.39	1.08	.77	.45	.13	0	0	0	0	0	0
90	92	1.43	1.12	.62	.50	.18	0	0	0	0	0	0
92	94	1.47	1.16	.86	.54	.23	0	0	0	0	0	0

$ 94	$ 96	1.51	1.21	.90	.59	.29	0	0	0	0	0	0
96	98	1.55	1.25	.95	.64	.35	.04	0	0	0	0	0
98	100	1.60	1.29	1.00	.70	.40	.10	0	0	0	0	0
100	105	1.70	1.41	1.15	.85	.55	.25	0	0	0	0	0
105	110	1.83	1.55	1.30	1.00	.71	.41	.12	0	0	0	0
110	115	1.96	1.69	1.45	1.17	.88	.58	.31	.04	0	0	0
115	120	2.10	1.84	1.61	1.33	1.06	.78	.51	.25	0	0	0
120	125	2.25	1.99	1.78	1.53	1.27	.99	.72	.46	.19	0	0
125	130	2.40	2.15	1.99	1.73	1.47	1.19	.93	.66	.39	.11	0
130	135	2.56	2.34	2.19	1.93	1.67	1.40	1.13	.86	.60	.32	.05
135	140	2.74	2.53	2.39	2.13	1.88	1.60	1.34	1.07	.80	.52	.26
140	145	2.93	2.72	2.59	2.33	2.08	1.81	1.54	1.27	1.01	.73	.46
145	150	3.11	2.90	2.79	2.53	2.28	2.01	1.75	1.48	1.21	.93	.67
150	155	3.29	3.00	2.99	2.73	2.48	2.21	1.95	1.68	1.42	1.14	.87
155	160	3.47	3.26	3.19	2.93	2.68	2.41	2.16	1.89	1.62	1.35	1.08
160	165	3.65	3.45	3.39	3.14	2.88	2.61	2.36	2.09	1.83	1.55	1.28
165	170	3.84	3.63	3.59	3.34	3.08	2.81	2.56	2.30	2.03	1.75	1.49
170	175	4.01	3.81	3.79	3.54	3.28	3.01	2.76	2.50	2.24	1.97	1.72
175	180	4.19	3.99	3.99	3.73	3.48	3.21	2.96	2.71	2.47	2.21	1.97
180	185	4.36	4.17	4.19	3.94	3.68	3.42	3.18	2.95	2.71	2.46	2.21
185	190	4.54	4.35	4.39	4.14	3.89	3.65	3.42	3.19	2.96	2.71	2.46
190	195	4.70	4.52	4.59	4.36	4.13	3.89	3.66	3.43	3.20	2.95	2.70
195	200	4.87	4.68	4.81	4.59	4.36	4.12	3.89	3.66	3.43	3.19	2.94
200	205	5.03	4.85	5.03	4.82	4.59	4.35	4.12	3.89	3.66	3.42	3.18
205	210	5.20	5.01	5.25	5.05	4.83	4.58	4.36	4.13	3.90	3.66	3.42
210	215	5.36	5.21	5.48	5.27	5.06	4.82	4.59	4.36	4.13	3.89	3.66
215	220	5.54	5.41	5.70	5.50	5.29	5.06	4.83	4.60	4.37	4.13	3.90
220	225	5.72	5.60	5.92	5.72	5.51	5.29	5.06	4.83	4.60	4.36	4.13
225	230	5.91	5.79	6.14	5.94	5.74	5.52	5.29	5.06	4.83	4.59	4.36
230	235	6.10	5.97	6.36	6.16	5.96	5.75	5.53	5.30	5.07	4.63	4.60
235	240	6.23	6.16	6.59	6.38	6.18	5.97	5.76	5.53	5.30	5.06	4.83
240	245	6.47	6.35	6.81	6.61	6.40	6.19	5.99	5.77	5.34	5.30	5.07
245	250	6.65	6.53	7.03	6.83	6.62	6.41	6.21	6.00	5.77	5.53	5.30
250	255	6.82	6.72	7.25	7.05	6.85	6.63	6.43	6.23	6.00	5.76	5.53
255	260	7.00	6.90	7.47	7.27	7.07	6.86	6.65	6.45	6.24	6.00	5.77
260	265	7.17	7.08	7.70	7.49	7.29	7.08	6.88	6.67	6.47	6.23	6.00
265	270	7.34	7.25	7.92	7.72	7.31	7.30	7.10	6.90	6.69	6.47	6.24
270	275	7.51	7.42	8.13	7.94	7.73	7.52	7.32	7.12	6.92	6.70	6.47
275	280	7.68	7.59	8.34	8.16	7.96	7.74	7.54	7.34	7.14	6.92	6.70
280	285	7.85	7.76	8.55	8.38	8.18	7.97	7.76	7.56	7.36	7.15	6.94
285	290	8.02	7.94	8.76	8.39	8.40	8.19	7.99	7.78	7.58	7.37	7.17
290	295	8.18	8.11	8.97	8.80	8.62	8.41	8.21	8.01	7.80	7.59	7.39
295	300	8.34	8.28	9.18	9.01	8.84	8.63	8.43	8.23	8.03	7.82	7.61
300 and over						4% of all over $300 plus						
		8.34	8.28	9.18	9.01	8.84	8.63	8.43	8.23	8.03	7.82	7.61

If the payroll period is bi-weekly the amount to be withheld shall be determined by dividing the amount of wages by two (2) and applying the weekly table and multiplying such amount by two (2).

Commonwealth of Kentucky

DEPARTMENT OF REVENUE
WITHHOLDING TAX TABLES

If the payroll period with respect to an employe is DAILY

And the wages are		And the number of withholding exemptions claimed is—										
	But less	0	1	2	3	4	5	6	7	8	9	10
At least	than	The amount of tax to be withheld shall be—										
$ .00	$ 3.50	2% of wages	0	0	0	0	0	0	0	0	0	0
3.50	3.75	.06	.01	0	0	0	0	0	0	0	0	0
3.75	4.00	.06	.01	0	0	0	0	0	0	0	0	0
4.00	4.25	.06	.01	0	0	0	0	0	0	0	0	0
4.25	4.50	.07	.02	0	0	0	0	0	0	0	0	0
4.50	4.75	.07	.02	0	0	0	0	0	0	0	0	0
4.75	5.00	.07	.02	0	0	0	0	0	0	0	0	0
5.00	5.25	.08	.03	0	0	0	0	0	0	0	0	0
5.25	5.50	.08	.03	0	0	0	0	0	0	0	0	0
5.50	5.75	.08	.04	0	0	0	0	0	0	0	0	0
5.75	6.00	.09	.04	0	0	0	0	0	0	0	0	0
6.00	6.25	.09	.04	0	0	0	0	0	0	0	0	0
6.25	6.50	.10	.05	0	0	0	0	0	0	0	0	0
6.50	6.75	.10	.05	.01	0	0	0	0	0	0	0	0
6.75	7.00	.10	.05	.01	0	0	0	0	0	0	0	0
7.00	7.25	.11	.06	.01	0	0	0	0	0	0	0	0
7.25	7.50	.11	.06	.01	0	0	0	0	0	0	0	0
7.50	7.75	.11	.06	.02	0	0	0	0	0	0	0	0
7.75	8.00	.12	.07	.02	0	0	0	0	0	0	0	0
8.00	8.25	.12	.07	.02	0	0	0	0	0	0	0	0
8.25	8.50	.12	.08	.03	0	0	0	0	0	0	0	0
8.50	8.75	.13	.08	.03	0	0	0	0	0	0	0	0
8.75	9.00	.13	.08	.03	0	0	0	0	0	0	0	0
9.00	9.25	.14	.09	.04	0	0	0	0	0	0	0	0
9.25	9.50	.14	.09	.04	0	0	0	0	0	0	0	0
9.50	9.75	.14	.09	.04	0	0	0	0	0	0	0	0
9.75	10.00	.15	.10	.05	0	0	0	0	0	0	0	0
10.00	10.50	.15	.10	.06	.01	0	0	0	0	0	0	0
10.50	11.00	.16	.11	.07	.02	0	0	0	0	0	0	0
11.00	11.50	.17	.12	.08	.03	0	0	0	0	0	0	0
11.50	12.00	.18	.13	.09	.04	0	0	0	0	0	0	0
12.00	12.50	.19	.14	.10	.05	0	0	0	0	0	0	0
12.50	13.00	.20	.16	.11	.06	.01	0	0	0	0	0	0

$13.00	$13.50	.21	.17	.12	.07	.03	0	0	0	0	0	0
13.50	14.00	.22	.18	.13	.09	.04	0	0	0	0	0	0
14.00	14.50	.23	.19	.15	.10	.05	.02	0	0	0	0	0
14.50	15.00	.24	.20	.16	.12	.07	.03	0	0	0	0	0
15.00	15.50	.25	.21	.18	.13	.09	.05	.01	0	0	0	0
15.50	16.00	.27	.23	.19	.15	.10	.07	.02	0	0	0	0
16.00	16.50	.28	.24	.21	.16	.12	.08	.04	0	0	0	0
16.50	17.00	.30	.25	.22	.18	.13	.10	.06	.02	0	0	0
17.00	17.50	.31	.27	.24	.20	.15	.12	.08	.04	0	0	0
17.50	18.00	.32	.29	.26	.22	.18	.14	.10	.06	.02	0	0
18.00	18.50	.34	.30	.28	.24	.20	.16	.12	.08	.04	.01	0
18.50	19.00	.35	.32	.30	.26	.22	.19	.14	.10	.06	.03	0
19.00	19.50	.37	.34	.32	.28	.24	.21	.16	.12	.08	.05	.01
19.50	20.00	.39	.36	.34	.30	.26	.23	.19	.14	.10	.07	.03
20.00	21.00	.42	.39	.38	.34	.30	.27	.23	.18	.14	.11	.07
21.00	22.00	.46	.43	.42	.38	.34	.31	.27	.23	.18	.15	.11
22.00	23.00	.50	.47	.46	.42	.38	.35	.31	.27	.23	.19	.15
23.00	24.00	.53	.50	.50	.46	.42	.39	.35	.31	.27	.24	.19
24.00	25.00	.57	.54	.54	.50	.46	.43	.39	.35	.31	.28	.24
25.00	26.00	.60	.58	.58	.54	.50	.47	.43	.39	.35	.32	.29
26.00	27.00	.64	.61	.62	.58	.54	.51	.47	.44	.40	.37	.34
27.00	28.00	.67	.65	.66	.62	.58	.56	.52	.49	.45	.42	.39
28.00	29.00	.71	.68	.70	.67	.63	.60	.57	.53	.50	.47	.43
29.00	30.00	.74	.71	.74	.71	.68	.65	.61	.58	.54	.52	.48
30.00	31.00	.77	.75	.79	.76	.72	.70	.66	.63	.59	.56	.53
31.00	32.00	.81	.79	.83	.80	.77	.74	.71	.67	.64	.61	.58
32.00	33.00	.85	.83	.88	.85	.81	.79	.76	.72	.68	.66	.62
33.00	34.00	.88	.87	.92	.89	.86	.84	.80	.77	.73	.70	.67
34.00	35.00	.92	.90	.97	.93	.90	.88	.85	.81	.78	.75	.72
35.00	36.00	.96	.94	1.01	.98	.95	.93	.89	.86	.82	.80	.76
36.00	37.00	.99	.98	1.05	1.02	.99	.97	.94	.91	.87	.85	.81
37.00	38.00	1.03	1.01	1.10	1.07	1.04	1.01	.98	.95	.92	.89	.86
38.00	39.00	1.06	1.05	1.14	1.11	1.08	1.06	1.03	.99	.96	.94	.90
39.00	40.00	1.09	1.08	1.19	1.16	1.12	1.10	1.07	1.04	1.01	.99	.95
40.00	41.00	1.13	1.12	1.23	1.20	1.17	1.15	1.12	1.08	1.05	1.03	1.00
41.00	42.00	1.16	1.15	1.27	1.24	1.21	1.19	1.16	1.13	1.10	1.07	1.04
42.00 and over					4% of all over $42.00 plus							
		1.16	1.15	1.27	1.24	1.21	1.19	1.16	1.13	1.10	1.07	1.04

This table shall be used in calculating the proper amount to be withheld in the case of a miscellaneous payroll period.

Section 9. Section 141.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the department, the department may make an estimate of the net income or adjusted net income from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of twenty-five percent of the amount of any deficiency tax assessed concerning such failure or refusal to file a return or furnish any information. This penalty shall be in addition to all other applicable penalties in this section.

(2) If any taxpayer fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the department, then, unless it is shown to the satisfaction of the department that the failure is due to reasonable cause, five percent of the tax found to be due by the department shall be added to the tax for each thirty days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent of the tax.

(3) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.

(4) If any part of any deficiency is due to fraud with intent to evade tax fifty percent of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.

(5) If the tax imposed by this chapter, whether assessed by the department, or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon the unpaid amount at the rate of six percent per annum from the date prescribed for its payment until payment is actually made to the department. If any assessment made by the department is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent of the tax for each month the tax remains unpaid.

(6) Any person required under the provisions of KRS 141.150 or KRS 141.335 to furnish a statement required under that section who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner at the time and showing the information required under KRS 141.150 and KRS 141.335, shall for each such failure be subject to a civil penalty of ten dollars. Such penalty shall be assessed and collected by the department, and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.

(7) (a) Any employer required under the provisions of KRS 141.310 or KRS 141.315 to withhold taxes on wages and make quarterly returns and payment of amounts withheld to the department, who fails to withhold such taxes, or to make such returns, or who fails to remit amounts collected to the department, shall be subject to a civil penalty equal to twenty-five percent of the amount of taxes that should have been properly withheld and paid over to the department, or ten dollars, whichever is greater, for each such failure. Such penalty shall be assessed and collected by the department and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.

(b) Any employer required to file a return under the provisions of KRS 141.330 (1) when no tax should have been properly withheld, and who fails to file the same, shall be subject to a civil penalty of ten dollars for each violation. Such penalty shall be assessed and collected by the department and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.

(8) (a) In the case of a failure to make and file a declaration of estimated tax within the time prescribed, unless such failure is shown to the satisfaction of the department to be due to reasonable cause and not to wilful neglect, there shall be added to the tax six percent of each installment due. For the purposes of this subsection, the amount and due date of each installment shall be the same as if a declaration had been filed within the time prescribed showing an estimated tax equal to the correct tax reduced by the credit allowed by KRS 141.350.

(b) Where a declaration of estimated tax has been made and filed within the time prescribed, or where a declaration of estimated tax has been made and filed after the time prescribed and the department has found that failure to make and file such declaration within the time prescribed was due to reasonable cause and not to wilful neglect, in the case of failure to pay an installment of the estimated tax within the time prescribed, unless such failure is shown to the satisfaction of the department to be due to reasonable cause and not to wilful neglect, there shall be added to the tax six percent of the unpaid amount of such installment.

(9) If eighty percent of the tax, determined without regard to the credit under KRS 141.350, in the case of individuals other than farmers exercising an election under subsection (5) of KRS 141.305, or sixty-six and two-thirds percent of such tax so determined in the case of such farmers, exceeds the estimated tax, increased by such credit, there shall be added to the tax an amount equal to such excess, or equal to six percent of the amount by which such tax so determined exceeds the estimated tax so increased, whichever is the lesser. This subsection shall not apply to the taxable year in which falls the death of the taxpayer, nor shall it apply to the taxable year in which the taxpayer makes a timely payment on April 15, July 15 and November 15, of

such year, or in the case of farmers exercising an election under subsection (5) of KRS 141.305 within the last quarter, and making payment in an amount at least as great as though computed on the basis of the facts shown on his return for the preceding taxable year.

(10) Any penalty imposed by subsection (1), (2), (3), (4), (5), (6), (7), (8) or (9) of this section shall be assessed, collected, and paid in the same manner as if it were a deficiency.

(11) Every tax imposed by this chapter, and all increases, interest and penalties thereon, shall become, from the time it is due and payable, a personal debt to the state from the taxpayer or other person liable therefor.

(12) In addition to the penalties herein prescribed, any taxpayer or employer, who wilfully fails to make a return or wilfully makes a false return, or who wilfully fails to pay taxes owing or collected, with intent to evade payment of the tax or amounts collected, or any part thereof, shall upon conviction thereof be fined not less than five hundred dollars nor more than five thousand dollars, or confined in the penitentiary for not less than twelve months or more than five years, or both.

ARTICLE IV

Section 1. Section 136.240 and 137.060 of the Kentucky Revised Statutes are hereby repealed.

Section 2. Section 137.030 of the Kentucky Revised Statutes is amended to read as follows:

Any person paying a license fee prescribed in KRS 137.020 may credit against the amount of any taxes due under Article I of this Act with respect to charges for admissions the amount of the license fee. The credit must be taken in the same calendar year as of the issuance of the license. This shall not affect the time and manner of reporting as required under Article I of this Act.

Section 3. Section 137.050 of the Kentucky Revised Statutes is amended to read as follows:

For the privilege of possessing in this state cigarettes upon which the state cigarette tax has not been paid and the state tax stamps not affixed to the package, box or container, as required by KRS 138.130 to 138.200, or for the privilege of selling in this state to another person for resale in this state cigarettes upon which the state cigarette tax has been paid, there is imposed a license fee of twenty-five dollars per annum. "Possessing" as used in this subsection does not include the transportation of cigarettes in interstate commerce nor a temporary holding in good faith by a transportation agency prior to shipping out of the state or prior to delivery to consignee or his agent, but it does include possession for purposes of sale, gift or use within the state after the interstate journey is ended.

Section 4. The fiscal court of each county is hereby given the authority to impose with respect:

(1) To each restaurant serving meals, a license fee not to exceed ten dollars per annum.

(2) To each retail outlet of soft drinks or ice cream, a license fee not to exceed five dollars per annum. In cases where ice cream and soft drinks are sold by the same retail outlet, one license tax not to exceed ten dollars per annum.

(3) To each billiard or pool table or bowling alley, irrespective of size, where a fee is charged and collected, directly or indirectly, a license fee not to exceed thirty dollars per annum for the first table or alley and not to exceed five dollars per annum for each additional table or alley.

(4) To each place where tobacco products are sold at retail, a license fee not to exceed ten dollars per annum.

Section 5. Section 138.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax shall be paid on the sale of cigarettes made of tobacco, or any substitute for tobacco, at the rate of two and one-half cents on each twenty cigarettes or fraction thereof. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

(2) This tax shall be paid by affixing stamps in the manner and at the time set forth in this section and in KRS 138.150 to 138.200. The stamps shall be affixed to each individual package of cigarettes by the wholesaler within seventy-two hours after the cigarettes are received by him, or if received by a retailer they shall be affixed within twenty-four hours after the cigarettes are received by him. All cigarettes must be tax paid before being sold or otherwise distributed in this state.

(3) The manner and methods of affixing stamps shall be prescribed by the Department of Revenue in such a way as to enforce the provisions of KRS 138.130 to 138.200.

ARTICLE V

Section 1. To carry out the purposes of this Act there is hereby appropriated to the Department of Revenue out of the General Expenditure Fund in the State Treasury the sum of one million three hundred thousand dollars ($1,300,000) for fiscal year 1960-61 and the sum of one million one hundred thousand dollars ($1,100,000) for fiscal year 1961-62. Any unexpended balance existing at the end of fiscal year 1960-61 shall lapse in accordance with KRS 45.230.

ARTICLE VI

Section 1. If any section, subsection, clause, sentence or phrase of this Act which is reasonably separable from the remaining portions of this Act is for any reason held to be unconstitutional, such decision shall not affect the remaining portions of this Act. The Legislature hereby declares that it would have passed the remaining portion of this Act irrespective of the fact that any such section, subsection, clause, sentence or phrase of this Act be declared unconstitutional.

Section 2. Nothing contained in Articles I, II, or IV of this Act shall affect any liability for motor vehicle usage taxes, utility gross receipts taxes, or retail occupational license taxes arising out of the registration or use of motor vehicles, the sale of electric current, gas, or water, or the transmission of messages, or the doing of such retail business, if such sale, registration or use, transmission, or retail business occurred or was transacted prior to July 1, 1960.

Section 3. Except as otherwise provided in this Act, the provisions of this Act shall become operative immediately upon its enactment into law.

Section 4. The provisions of Articles II and IV of this Act shall become operative beginning July 1, 1960.

Section 5. The provisions of Article III, other than Section 7 thereof, shall be applicable for all taxable years beginning on or after January 1, 1961. With respect to all taxable years beginning before January 1, 1961, the provisions of Kentucky Revised Statutes, Chapter 141, as they existed immediately prior to the enactment of this Act shall remain applicable the same as though they had not been amended or repealed by Article III of this Act.

Section 6. Whereas, in order to make provision for the proper administration of Article I it is imperative that this Act take effect at the earliest possible date, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Senator Garnett moved that the rules be suspended for the purpose of introducing bills. Agreed.

Introduction of Bills

SB 109, by Senators Garnett and Kinkead: AN ACT relating to incorporation of municipalities.

SB 110, by Senator Miller: AN ACT relating to libraries.

Calendar

SB 82, taken from the Calendar and ordered read at length for the second time. Senator Ware moved that **SB 82** be read by title only. Agreed. Ordered placed in Orders of the Day.

SB 36, taken from the Calendar, with Committee Amendment thereto, and ordered read at length for the second time. Senator Ware moved that **SB 36** be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 27, SB 34, SB 21, SB 60, SB 32 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Senator Ware moved that **HB 62** be substituted in lieu of **SB 35.** Agreed.

HB 62 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **HB 62** be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 62.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Miller, Raney, Richmond, Ware, White. Nays 2—Hamilton, Young. **HB 62** was passed and the title agreed to.

Senator Ware moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 41 taken from Orders of the Day with Committee Amendment and ordered read at length for the third time. Senator Kidwell moved that **SB 41** be read by title only. Agreed.

Senator Kidwell moved that Committee Amendment to **SB 41** be adopted. Agreed.

Amend printed copy of **SB 41** on page 5, section 186.235, line 30 through and including line 41.

Section 186.235 of the Kentucky Revised Statutes is amended to read as follows:

No motor vehicle, not previously registered in this state, other than a new motor vehicle sold by a dealer licensed in this state, shall be registered by the county clerk unless such vehicle shall have been inspected by the sheriff of the county or his deputy. Such sheriff inspecting the vehicle shall make a record of inspection upon the inspection form prescribed by the department. The applicant shall pay the sheriff a fee of one dollar for making the inspection.

Senator Kidwell moved the Previous Question on **SB 41** as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Blake, Brand, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Durham W. Howard, Jackson, Kelly, Kidwell, Kinkead, Logan, Miller, Raney, Richmond, Ware, White. Nays 0. **SB 41** was passed and the title agreed to.

Senator Bonn moved that the vote by which **SB 41** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 52 taken from Orders of the Day and ordered read at length for the third time. Senator Kinkead moved that **SB 52** be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 52.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamitlon, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Miller, Raney, Richmond, Ware, White. Nays 0. **SB 52** was passed and the title agreed to.

Senator Kinkead moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 53 taken from Orders of the Day and ordered read at length for the third time. Senator Kinkead moved that **SB 53** be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 53.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Miller, Raney, Richmond, Ware, White. Nays 0. **SB 53** was passed and the title agreed to.

Senator Kinkead moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 54 taken from Orders of the Day and ordered read at length for the third time. Senator Kinkead moved that **SB 54** be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 54.** Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Bishop, Blake, Blue, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Kelly, Kidwell, Kinkead, Logan, Miller, Raney, Richmond, Ware, White, Young. Nays 6—Brand, C. H. Davis, Derickson, Hehl, Jackson, Martin. **SB 54** was passed and the title agreed to.

Senator Kinkead moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 50, with Committee Amendment attached thereto, taken from

Orders of the Day and ordered read at length for the third time. Senator Logan moved that **SB 50** be read by title only. Agreed.

Senator Logan moved that Committee Amendment to **SB 50** be adopted. Agreed.

Said amendment is as follows:

Amend printed copy of **SB 50**, on page 2, section 3, lines 29 through 36, by striking section (b) and inserting in lieu thereof the following:

"(b) That upon receipt of the order by the clerks of said courts there shall be taxed as costs in all actions, except examining trials and felony trials, thereafter instituted in said courts the following fee, which shall be designated as county law library fee; in quarterly, county, justice's, and city or police courts, a sum not to exceed fifty cents; in circuit courts, on all civil actions, a sum not to exceed one dollar; and on all misdemeanor trials, a sum not to exceed fifty cents; and".

Senator Logan moved the Previous Question on **SB 50** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Miller, Richmond, Ware, White, Young. Nays 0. **SB 50** was passed and the title agreed to.

Senator Logan moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 26 taken from Orders of the Day and ordered read at length for the third time. Senator Martin moved that **SB 26** be read by title only. Agreed.

Senator Martin moved the Previous Question on **SB 26.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Raney, Richmond, White, Young. Nays 4—Duffy, Francis, Miller, Ware. **SB 26** was passed and the title agreed to.

Senator Martin moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 76 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 71 taken from Orders of the Day. Senator Blue moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Senator Ware moved that **SB 35** be recommitted to the Committee on Constitutional Amendments. Agreed.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 31** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Ware moved that the Senate adjourn until twelve noon, February 2. Agreed.

TUESDAY, FEBRUARY 2, 1960

TWENTY-THIRD LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Fred T. Moffatt of the First Baptist Church of Frankfort.

The roll was called. All present except Senators Blue, McCann and Overbey, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 1 dispensed with and the same approved on motion of Senator Ware.

Motions

Senator Bassett moved, seconded by Senator Kelly, that **SR 15** be taken from the Committee on Revenue and Taxation and read into the Calendar.

Senator Hehl moved, seconded by Senator Martin, that action be postponed on **SR 15**, regarding Senator Bassett's motion, until the regular order of business on February 3. Motion lost by voice vote.

Recess

Senator D. W. Howard moved that the Senate do now recess for ten minutes for the purpose of having a Republican caucus. Agreed. At the appointed hour, the President called the Senate to order.

House Message

Announcing passage of **HB 63, HB 81.**

Senators Bassett and Duffy requested a roll call on Senator Bassett's motion to read SR 15 into the Calendar and it was so ordered.

On motion of Senator Bassett to take **SR 15** from Committee. On the roll call, the vote was: Yeas 8—Bassett, Blake, Byers, Conley, Hamilton, Johnson, Kelly, Richmond. Nays 22—Brand, Bonn, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, Melton, Miller, Raney, Ware, White. Motion to read **SR 15** into Calendar was defeated.

Senator Hamilton moved that **HB 75** be placed on the Clerk's desk for further study.

Senator Kidwell arose to a point of order and stated that **HB 75** was not before the Senate.

The President ruled the point was well taken and that Senator Hamilton was out of order.

Introduction of Bills and Resolutions

SB 111, by Senator Duffy: AN ACT relating to the operation of bicycles.

SB 112, by Senator Craft: AN ACT relating to embalmers and funeral directors, amending Chapter 316 of the Kentucky Revised Statutes.

SR 23, by Senator Conley: A RESOLUTION requesting each of the counties to establish a scholarship fund for the purpose of providing funds for the education of medical doctors through the facilities of the University of Kentucky Medical Center and providing that the recipients of such funds shall agree to practice general medicine in the donor county for a period of five years.

SR 24, by Senators Miller, Mrs. J. H. Davis, Hubbard, Johnson, D. W. Howard, Bishop, Byers and O. O. Duncan: A RESOLUTION requesting a Public Hearing.

Resolution

BE IT RESOLVED, that we, recognizing needs in the Commonwealth of Kentucky for increased revenue to meet such pressing needs as education and other Governmental services, and also that the people of Kentucky have voted to pay a Veterans' Bonus, but also realizing that such things as job opportunity and imposition of taxes upon our people is a serious matter,

THEREFORE, BE IT RESOLVED, that the Senate hold a public hearing on HOUSE BILL NO. 75, beginning at 10:00 o'clock (CST), February 3, and shall continue until all of the proponents and opponents of said tax have been heard, in order that we might be more fully advised as to the proper way to cast our vote, and that the Senate not vote on HOUSE BILL #75 until after the conclusion of the public hearing.

Fred Bishop
H. Nick Johnson
Scott Miller Jr.
Durham W. Howard
Ulysses G. Byers
Mrs. J. Harry Davis
O. O. Duncan
Sam R. Hubbard

Senator Miller moved the adoption of **SR 24.**

Senators Miller and Duffy requested a roll call on **SR 24** and it was so ordered.

The vote on adoption of **SR 24** was: Yeas 15—Bassett, Bishop, Blake, Byers, Mrs. J. Harry Davis, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Miller, Richmond, Young. Nays

18—Brand, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hickerson, C. S. Howard, Kidwell, Kinkead, Martin, Melton, Raney, Ware, White. **SR 24** was rejected.

Senator Kidwell moved that the vote by which said resolution was rejected be reconsidered and said motion be laid on the table. Agreed.

Senator Kelly moved that **HR 40** be taken from the Clerk's desk and adopted. Agreed.

HR 40, A CONCURRENT RESOLUTION honoring the memory of Sidney Johnson Collins.

WHEREAS, Almighty God in the exercise of His infinite wisdom has seen fit to summon the Honorable Sidney Johnson Collins, a former member of this body, from our presence, and that of his friends and loved ones; and

WHEREAS, Sidney Johnson Collins spent his life in the service of his Commonwealth, and was a strong, staunch supporter of the Democratic Party, never waivering from its ideals and programs; and

WHEREAS, IN HIS PASSING, THE Commonwealth of Kentucky and the Democratic Party have lost a faithful and loyal senior citizen:

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That when the House of Representatives does this day adjourn, it does so in memory of Sidney Johnson Collins.

Section 2. That the House of Representatives extends to the family of Sidney Johnson Collins and to his many friends its profound and deepest sympathy and does commend them to the solace of Almighty God.

Section 3. That a copy of this Resolution be presented to the family of Sidney Johnson Collins.

Report of Committees

Committee on Elections and Redistricting reported **SB 81**, **SB 10**, **HB 12**, with the expression of opinion that same should pass. Read at length for the first time, and ordered placed in the Calendar.

SB 81, AN ACT relating to voting machines.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 125.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The voter shall be instructed by the officers of election, with the aid of the instruction cards and the mechanical model, in the use of the machine.

(2) No voter shall be permitted to receive any assistance in voting unless he makes and signs an oath that, by reason of inability to read English, or by reason of blindness or other physical disability he is unable to vote without assistance. Upon making and filing with the judges such oath, the voter shall retire to the voting machine, with the judges, and one of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. In case the person applying to vote is blind, he may, if he prefers, be assisted by a person of his own choice. The clerk shall swear the person accompanying the blind voter to operate the voting machine in accordance with the directions of the blind voter, and the blind voter and the person sworn shall then enter the voting booth and the one so sworn shall operate the machine for the blind voter as he directs. No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(3) No voter shall be permitted to occupy the voting machine more than two minutes if other voters are waiting to use it.

(4) In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons who are seeking nomination as candidates of the party with which the voter is affiliated.

(5) If the machine is so constructed as to require adjustment after one person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

(6) The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

SB 10, AN ACT relating to the conduct of regular elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 118.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county board of election commissioners shall issue certificates of election where the successful candidate was voted for by a county or by a district less than one county. The board shall forward the certificate to the elected candidate, unless he has failed to comply with KRS 123.060, 123.070 or 123.080. If the board finds that two or more candidates have received the highest and equal number of votes for the same office, the board shall determine by lot which of the candidates is elected.

(2) In the case of offices voted for by the state at large or by a district greater than one county, and in the case of public questions submitted to the vote of the people of the state at large or of a district greater than one county, the county board of election commissioners shall make out duplicate certificates of the total number of votes received by each of the candidates for such offices, and the total number of votes for and against each of such questions. The county clerk shall keep one of the certificates in his office. He shall not later than three days after the completion of the count of the votes by the board, forward the other certificate by mail to the Secretary of State, who shall deliver it to the State Board of Election Commissioners.

Section 2. Any county clerk who fails to comply with subsection (2) of KRS 118.400 shall be fined not less than twenty-five dollars nor more than one hundred dollars. Each day such violation occurs shall constitute a separate offense.

HB 12, AN ACT relating to elections in cities of the fourth class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person shall be a candidate for any elective city office in a city of the fourth class that is operating under the councilmanic form of government, unless his nomination papers have been filed with the county court clerk not less than forty-five days before the day fixed by law for the holding of primary elections.

Committee on Elections and Redistricting reported **SB 19,** without expression of opinion.

Senator Basset moved that the Senate do now adjourn until twelve noon, February 3.

Senators Bassett and Hamilton requested a roll call on Senator Bassett's motion to adjourn.

On the roll call, the vote was: Yeas 9—Bassett, Brand, Byers, Hamilton, Hickerson, Jackson, Johnson, Miller, Richmond. Nays 23—Bishop, Blake, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, C. S. Howard, D. W. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, Melton, Raney, Ware, White, Young. Motion to adjourn was rejected.

Calendar

HB 67, HB 68, HB 69, HB 70, HB 71, HB 72, HB 73, SR 21, HB 75 taken from the Calendar and ordered read at length for the second time. Senator Kidwell moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 27, SB 21, SB 60, SB 32, SB 76, SB 71, SB 82, SB 36 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that they retain their place in Orders of the Day. Agreed.

SB 34 taken from Orders of the Day. Senator Ware moved that **SB 34** be recommitted to Committee on Judiciary and Judicial Council. Agreed.

Reference of Bills

Ky. Statutes #1: **SB 94.**

Agriculture and State Fair: **SB 103, HB 34.**

Ways and Means: **SB 104.**

Judiciary and Judicial Council: **SB 105.**

Classification of Towns and Cities: **SB 106, HB 15.**

Ky. Statutes #2: **SB 107, HB 1.**

Revenue and Taxation: **SB 108.**

Municipalities: **SB 109, HB 119.**

Library and Historical Records: **SB 110, HB 50.**

Education: **HB 82.**

Criminal Law: **HB 47, HB 90.**

Elections and Redistricting: **HB 53.**

Courts and Legal Procedure: **HB 124.**

Senator Ware moved that the Senate do now adjourn until twelve noon, February 3. Agreed.

WEDNESDAY, FEBRUARY 3, 1960

TWENTY-FOURTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Fred T. Moffatt of the First Baptist Church of Frankfort.

The roll was called. All present except Senators McCann and Overbey, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 2 dispensed with and the same approved on motion of Senator Melton.

Senator Kidwell moved that when we reach the Orders of the Day that we take up **HB 75** and make it the first order of business in Orders of the Day. Agreed.

Recess

Senator Miller moved that the Senate do now recess for the purpose of having a Republican caucus. Agreed. At the appointed hour, the President called the Senate to order.

Senator Young moved that when **HB 75** is taken up from Orders of the Day that we resolve ourselves as a Committee as a whole and invite the Revenue Commissioner to come before the Senate to explain **HB 75**, and its contents.

Senators Young and Bassett requested a roll call and it was so ordered.

On the roll call, the vote was: Yeas 15—Bassett, Blake, Byers, Mrs. J. Harry Davis, Duncan, Hamilton, Hehl, Hubbard, Jackson, Johnson, Kelly, Logan, Miller, Richmond, Young. Nays 21—Bishop, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hickerson, C. S. Howard, Durham W. Howard, Kidwell, Kinkead, Martin, Melton, Raney, Ware, White. Senator Young's motion was defeated.

House Message

Announcing passage of **HB 84.**

Introduction of Bills and Resolutions

SB 113, by Senator White: AN ACT relating to the licensing and regulation of the sale of agricultural limestone.

SB 114, by Senators Conley and Ware: AN ACT relating to solicitation of legal business.

SB 115, by Senator Blue: AN ACT relating to Fire Departments in cities of the third class.

SB 116, by Senator Garnett: AN ACT providing for the inclusion of the name of the draftsman on recorded real estate chattel documents and corporate papers.

SB 117, by Senators Martin, Conley and Raney: AN ACT relating to employer's bonds for the payment of wages to industrial employees.

SB 118, by Senators Conley, Raney and Martin: AN ACT relating to public works.

Report of Committees

Committee on Higher Education reported **HR 35**, with the expression of opinion that same should pass.

HR 35, A CONCURRENT RESOLUTION encouraging observance of the 100th Anniversary of land-grant education legislation.

WHEREAS, July 2, 1962, marks the centennial of legislation providing for the establishment of the national system of Land-Grant colleges and State universities;

WHEREAS, the Commonwealth of Kentucky has been the beneficiary of the extensive services of its Land-Grant institutions, the University of Kentucky and Kentucky State College; and

WHEREAS, there has been established a national program for recognition of the Centennial of this historic Act by the U. S. Congress;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the General Assembly of Kentucky encourages suitable statewide observance during the academic year 1961-62 of the 100th anniversary of the signing of the Land-Grant Act by President Abraham Lincoln.

Section 2. That copies of this Resolution be forwarded to the Senators and Representatives of the Congress from the Commonwealth, and to the University of Kentucky and Kentucky State College.

Senator Kinkead moved the adoption of **HR 35.** Agreed.

Committee on Agriculture and State Fair reported **HR 24**, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 24, A CONCURRENT RESOLUTION requesting and petitioning the United States Department of Agriculture to include Johnson grass control as a cost-sharing practice in county Agricultural Stabilization and Conservation Committee programs in all counties of Kentucky.

WHEREAS, the eradication of Johnson grass will return much land to useful production, resulting in additional income for the farmers of the Commonwealth; and

WHEREAS, the farmers of Caldwell, Fayette, Franklin, Fleming, Henderson, Livingston, Simpson and Union Counties have been greatly benefited by the inclusion of Johnson grass control as a cost-sharing practice in their respective county Agricultural Stabilization and Conservation programs; and

WHEREAS, it is reasonably anticipated that the other counties will likewise benefit;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Department of Agriculture of the United States be and it is requested and petitioned to include Johnson grass control as a cost-sharing practice in county Agricultural Stabilization and Conservation Committee programs in all counties of the Commonwealth of Kentucky.

Section 2. That a copy of this resolution, duly authenticated, be forwarded by the Clerk of the House of Representatives to the Secretary of Agriculture of the United States.

Committee on Motor Vehicles, Commerce and Common Carriers reported **SB** 88, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 88, AN ACT relating to motor vehicle registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (5) of Section 186.050 of the Kentucky Revised Statutes is amended to read as follows:

(5) Any farmer owning a truck having a gross weight of 24,000 pounds or less may have it registered as a farmer's truck and obtain a license for $4.50 by filing with the county clerk, in addition to other information required, an affidavit stating that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of 24,000 pounds or less, that he has caused to be printed upon each side of the bed of the truck the words "Farmer's Truck" in conspicuous letters not less than three inches in height, and that during the next twelve months the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

Committee on Higher Education reported **SB 102**, with the expression of opinion that same should not pass.

Committee on Higher Education reported **SB 97**, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 97, AN ACT relating to social security for public employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 61.410 of the Kentucky Revised Statutes is amended to read as follows:

(1) In order to extend to certain employes of the Commonwealth and its political subdivisions, and interstate instrumentalities, not now members of public retirement systems, and to the dependents and survivors of such employes, the basic protection accorded to others by the Old-Age and Survivors Insurance System embodied in the Social Security Act, it is hereby declared to be the policy of the General Assembly to provide such protection to such employes, and their dependents and survivors, on as broad a basis as is permitted under the Social Security Act.

(2) Subject to the provisions of KRS 61.430 (6) and the Federal Social Security Act, as amended, and regardless of present coverage under a public retirement system, it is declared to be the policy of the General Assembly to extend the aforesaid protection to the employes of the state colleges enumerated in KRS 164.290 and of public junior colleges, and their dependents and survivors.

Section 2. Subsection (6) of Section 61.430 of the Kentucky Revised Statutes is amended to read as follows:

(6) (a) Such agreement or modification of such agreement, as permitted under the Social Security Act, shall include all services described in subsection (4) and performed by employes in positions covered by a retirement system at the various state colleges enumerated in KRS 164.290 and at public junior colleges, with respect to which the Governor has issued a certificate to the Secretary of Health, Education and Welfare pursuant to this subsection;

(b) At the earliest practicable date after the effective date of this section, the Governor shall authorize referendums and designate agencies or individuals to respectively supervise their conduct in each state college and public junior college in accordance with the requirements of Section 218 (d) (3) of the Social Security Act, and this subsection, on the question of whether or not the service in the positions, now covered by a public retirement system established by law, in the respective state colleges and public junior colleges should be included under such agreement;

(c) The Governor, before authorizing a referendum, shall require that the state college or public junior college in which it is to be conducted shall meet the following conditions;

Each referendum shall be by secret, written ballot on the question of whether or not service in positions now covered by a public retirement system in the state college or public junior college shall be included under the agreement between the Governor and the Secretary of Health, Education and Welfare;

An opportunity to vote in such referendum shall be given and shall be limited to all such employes of the state college or public junior college;

Not less than ninety days notice of such referendum shall be given to all such employes of the state college or public junior college;

Such referendum shall be conducted under the supervision of an agency or individual designated by the Governor;

The proposal for coverage shall be approved only if a majority of the eligible employes of the state college or public junior college vote in favor of including services in such positions under the agreement;

(d) Upon receiving satisfactory evidence that, with respect to any such referendum, the conditions specified in this subsection and Section 218 (d) (3) of the Social Security Act have been met, the Governor shall so certify to the Secretary of Health, Education and Welfare.

Section 3. Subsection (7) of Section 61.430 of the Kentucky Revised Statutes is amended to read as follows:

For the purposes of this section, employes of each of the colleges enumerated in KRS 164.290 and of each public junior college shall be considered a separate coverage group.

Committee on Municipalities reported **SB 42, SB 87, SB 109,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 42, AN ACT relating to city boundaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Whenever a city of the first, second or third class located in one county desires to annex any unincorporated territory adjacent to its present boundary all or part of which lies in an adjoining county, the city legislative body shall pass an ordinance accurately defining the boundary of the territory proposed to be annexed, declaring it to be desirable to annex the territory, and providing that the question of whether or not the territory shall be annexed shall be submitted to the qualified voters residing therein at the next regular election in which all of such voters may vote, and which next regular election is not held within sixty days after passage of the ordinance.

Section 2. The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, or if such territory is located in more than one county, to the county clerks of such counties, who shall have printed on the ballots provided for use in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ————"? Opposite the question shall be printed "Yes" and "No", with squares for stamping the cross mark to indicate the preference. If only a part of any precinct is embraced within the territory proposed to be annexed the clerk of the election shall mark an "X" with the black ink stencil in the squares opposite both the words "Yes" and "No" upon the ballots of all persons voting who reside in the precinct but not within the territory proposed to be annexed, before he delivers the ballots to those voters. The clerk or clerks shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex.

Section 3. If one-half or more of those voting on the proposition vote in favor of annexation, the city shall pass an ordinance declaring the territory annexed, and such territory shall then become a part of the city.

Section 4. If less than one-half of those voting on the proposition vote in favor of annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

SB 87, AN ACT relating to finance and revenue of cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Revenue remaining after meeting the requirements of KRS 91.200 (3) shall be transferred to the city. Such revenue shall be credited to the General Fund of the city.

Section 2. Sections 91.200 (4) and 91.200 (5) are hereby repealed.

SB 109, AN ACT relating to incorporation of municipalities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 81.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) No city may incorporate within three miles of the boundary of any city of the first or second class. Beyond this limit a city may be incorporated by a minimum of twenty-five people.

(2) No area adjacent to any state or federal maintained highway may be incorporated without a minimum of two hundred and fifty (250) people.

(3) The boundaries of any city when incorporated shall not exceed one-half mile in each direction.

Senator D. W. Howard moved that **SB 102** be recommitted to the Committee on Higher Education. Agreed.

Calendar

SB 81, SB 10, HB 12 taken from the Calendar and ordered read at length for the second time. Senator Kidwell moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

HB 75 taken from Orders of the Day and ordered read at length for the third time. Senator Kidwell moved that **HB 75** be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 75.** Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Raney, Ware, White. Nays 8—Bassett, Blue, Byers, Hamilton, Johnson, Miller, Richmond, Young. **HB 75** was passed and the title agreed to.

Senator Ware moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 27, SB 21, SB 60 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 32, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 32** be read by title only. Agreed.

Senator Ware moved to adopt Committee Substitute to **SB 32.** Agreed.

Senator Ware moved the Previous Question on **SB 32,** as amended. Agreed.

On the roll call, the vote was: Yeas 30—Bishop, Blake, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Raney, Richmond, Ware, White, Young. Nays 1—Bassett. **SB 32** was passed and the title agreed to.

Senator Craft moved that **SR 12** be taken from the Clerk's desk and adopted. Agreed.

SR 12, A RESOLUTION relating to public assistance.

WHEREAS, in the past few decades, America has moved far and fast in recognizing that the needs of the few easily become the needs of the many; that government is the servant of the people and not the master; and that the prime function of government is "to elevate the condition of men, to lift artificial weights from all shoulders, to clear the paths of laudable pursuit for all, and to afford all an unfettered start and a fair chance in the race of life", and

WHEREAS, our states and the national government have created a great partnership to insure that children who are deprived of parental care and support be given opportunity to prepare for lives of economic independence and usefulness as adults; and that the aged, disabled, and blind, be aided to live as self-respecting citizens of the Commonwealth; and

WHEREAS, payments now being made to the aged, blind, disabled and dependent children are inadequate to meet their needs.

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the Governor be urged to give much consideration in the preparation of the budget for the coming biennium and that provision be made to increase public assistance payments to meet increasing cost of living and to insure subsistence compatible with decency and health.

Senator Francis moved that **SR 21** be taken from the Clerk's desk and adopted. Agreed.

SR 21, A JOINT RESOLUTION memorializing the Interstate Commerce Commission to render a speedy decision on the matter of Kentucky time standards.

WHEREAS, the Interstate Commerce Commisison has held extensive hearings on the question of where the line dividing the Eastern and Central time zones in Kentucky should be; and

WHEREAS, the hearing examiner's report was made public months ago; and

WHEREAS, the people of Kentucky continue to be perplexed and confused by the time issue;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interstate Commerce Commission be memorialized to render a speedy decision on the matter of Kentucky time standards.

Section 2. That the Clerk be directed to send copies of this resolution to the Interstate Commerce Commission, and to each of the members of Congress from Kentucky.

Senator Bishop moved that **SR 20** be taken from the Clerk's desk and adopted. Agreed.

SR 20, A RESOLUTION relating to public assistance.

WHEREAS, the rising cost of living is tending to make old-age assistance payments inadequate at the present level:

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Economic Security is hereby urged to revise the applicable regulations pertaining to public assistance for needy aged persons so as to increase the payments to each such person by ten dollars per month.

SB 76 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 76.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 76** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 76** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 71 taken from Orders of the Day. Senator Blue moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 82 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 82** be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 82.** Agreed.

On the roll, the vote was: Yeas 31—Bassett, Bishop, Blake, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 82** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 82** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 36 with Committee Amendments attached thereto taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 36** be read by title only. Agreed.

Senator Ware moved that Committee Amendment #1 to **SB 36** be adopted. Agreed.

Said Amendment #1 to **SB 36** is as follows: Amend printed copy of **SB 36,** section 1, line 4, after the words "engages in" by adding the following "the business of."

Senator Ware moved that Committee Amendment #2 to **SB 36** be adopted. Agreed.

Said Amendment #2 to **SB 36** is as follows: Amend printed copy of **SB 36,** section 6, line 8 by adding at the end a new sentence to read as follows:

> "Compliance with regulations and orders of the Division of Fire Prevention, State Department of Public Safety and with nationally-recognized standards, including the National Electrical Code, shall be prima facie evidence of compliance with the standards of such city or county as to matters covered by such state or national standards which have not been specifically altered by such city or county."

Senator Ware moved that Committee Amendment #3 to **SB 36** be adopted. Agreed.

Said Amendment #3 to **SB 36** is as follows: Amend printed copy of **SB 36,** section 5, paragraph 2, at the end of the sentence strike out the period and begin with the following words "and paid by the electrical contractor."

Senator Young moved that **SB 36** be laid on the Clerk's desk. Agreed.

HB 67 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that **HB 67** be read by title only. Agreed.

Senator Blake moved the Previous Question on **HB 67.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Logan, Martin, Melton, Miller, Raney, Ware, Young. Nays 0. **HB 67** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 67** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 68 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that **HB 68** be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 68.** Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Blake, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Johnson, Kelly, Kidwell, Martin, Miller, Raney, Ware, White, Young. Nays 0. **HB 68** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 68** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 69 with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that **HB 69** be read by title only. Agreed.

Senator Francis moved that Committee Amendment to **HB 69** be adopted. Agreed. Said Amendment is as follows:

Amend printed copy of **HB 69** on page 2, section 2, (3) (a), line 19, by deleting the word "of" and inserting in lieu thereof the word "or."

Senator Francis moved the Previous Question on **HB 69,** as amended. Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kidwell, Logan, Martin, Melton, Miller, Raney, Ware, White, Young. Nays 0. **HB 69** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 69** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 70 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that **HB 70** be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 70.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Miller, Raney, Ware, White, Young. Nays 0. **HB 70** was passed and the title agreed to.

Senator Bonn moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HB 71 taken from Orders of the Day. Senator Francis moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 72 taken from Orders of the Day, and ordered read at length for the third time. Senator Francis moved that **HB 72** be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 72.** Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Blake, Brand, Blue, Bonn, Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kidwell, Logan, Martin, Melton, Miller, Raney, Ware, Young. Nays 0. **HB 72** was passed and the title agreed to.

Senator Francis moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HB 73 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that **HB 73** be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 73.** Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Blake, Brand, Blue, Bonn, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Miller, Raney, Ware, Young. Nays 0. **HB 73** was passed and the title agreed to.

Senator Francis moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Logan moved that the Rules be suspended for the purpose of making a motion. Agreed.

Senator Logan moved that **SB 19** be read into the Calendar, the report of the Committee to the contrary/notwithstanding.

Senators Logan and Kidwell requested a roll call and it was so ordered.

On the roll call, the vote was: Yeas 5—Bassett, Blake, Hamilton, Hickerson, Logan. Nays 16—Bishop, Brand, Blue, Bonn, Mrs. J. H. Davis, Derickson, Duffy, Francis, D. W. Howard, Hubbard, Johnson, Kidwell, Melton, Miller, Raney, Ware. Motion that **SB 19** be read into Calendar was rejected.

Senator Miller moved that the vote by which said motion was lost be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon, February 4. Agreed.

THURSDAY, FEBRUARY 4, 1960

TWENTY-FIFTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators C. H. Davis, McCann, Overbey and White, who were granted leave of absence on motion of Senator Ware.

Senator Young moved that a certain portion of the Journal of February 3 pertaining to **SB 102** and motion by Senator D. W. Howard to recommit be expunged.

Senator Kidwell moved that that portion of the Journal for February 3 pertaining to Committee Reports and Orders of the Day be read. Agreed.

The Clerk read said portion of the Journal for February 3.

Senator Kidwell moved that the reading of the Journal for February 3 be dispensed with and the same approved as read. Agreed.

House Message

Announcing passage of **HB 54, SB 1, SB 2.**

Introduction of Bills

SB 119, by Senators Hehl and Ware: AN ACT relating to circuit courts.

SB 120, by Senators Hehl and Ware: AN ACT relating to divorce proceedings.

SB 121, by Senator Ware: AN ACT relating to pharmacies.

SB 122, by Senator Raney: AN ACT to provide for the safety of life, limb, and property, and to create a Board of Boiler Rules, etc.

Calendar

HR 24, SB 88, SB 97, SB 42, SB 87, SB 109 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 27, SB 21, SB 60, SB 71, HB 71 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 81, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Young moved that **SB 81** be read by title only. Agreed.

Senator Young moved that Committee Amendment to **SB 81** be adopted. Agreed.

Said Amendment is as follows:

"Amend printed copy of **SB 81** on page 1, section 1, line 5, by inserting a comma in place of the period after "machine", and adding the following wording: "if the voter so requests."

Senator Young moved the Previous Question on **SB 81,** as amended. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Craft, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 81** was passed and the title agreed to.

Senator Young moved that the vote by which **SB 81,** as amended, was passed be reconsidered and said motion be laid on the table. Agreed.

SB 10 taken from Orders of the Day and ordered read at length for the third time. Senator C. S. Howard moved that **SB 10** be read by title only. Agreed.

Senator C. S. Howard moved the Previous Question on **SB 10.** Agreed.

On the roll call, the vote was: Yeas 25—Bassett, Bishop, Blake, Bonn, Byers, Conley, Craft, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kinkead, Logan, Martin, Melton, Raney. Nays 4—Blue, Kelly, Kidwell, Miller. **SB 10** was passed and the title agreed to.

Senator C. S. Howard moved that the vote by which **SB 10** was passed by reconsidered and said motion be laid on the table. Agreed.

HB 12 taken from Orders of the Day. Senator Derickson moved that consideration of said bill be deferred and that it retain its place in Orders of the Day.

Report of Enrolled Bills

Committee on Enrollment reported that **HB 62, HB 75** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the Clerk of the House.

Reference of Bills and Resolutions

Motor Vehicles, Commerce and Common Carrier: **SB 111.**

Ky. Statutes # 1: **SB 112.**

Appropriations: **SB 113.**

Judiciary and Judicial Council: **SB 114, HB 84.**

Ky. Statutes #2: **SB 115, SB 117.**

Courts and Legal Procedure: **SB 116, HB 63, HB 81.**

Labor and Manufacturing: **SB 118.**

Public Health: **SR 23.**

Senator Ware moved that the Senate do now adjourn until seven p.m., February 8. Agreed.

MONDAY, FEBRUARY 8, 1960

TWENTY-EIGHTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators Bishop, Bonn, Byers, Conley, Duffy, Duncan, McCann, Richmond and White, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 4, dispensed with and the same approved on motion of Senator Ware.

House Message

Announcing passage of **HB 46, HB 122, SB 33, SR 21.**

Motions

Senator Kidwell moved the adoption of **SR 25.** Agreed.

SR 25, A CONCURRENT RESOLUTION requesting the House of Representatives to return House Bill No. 67 to the Senate.

WHEREAS, House Bill 67 of this session, which relates to fees for additional clerks' duties under the Uniform Commercial Code, has passed both the House of Representatives and the Senate; and

WHEREAS, the bill purported to amend KRS 64.010, but did not set out the present text of the section; and

WHEREAS, it is preferable to amend the section by setting out both the present text and the new matter.

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring:

That the House of Representatives return said House Bill No. 67 to the Senate so that the Senate may amend said House Bill No. 67 by setting out in its entirety the amended version of KRS 64.010 incorporating only those changes embodied in the original House Bill No. 67.

Introduction of Bills

SB 123, by Senator Kidwell: AN ACT relating to advertising devices along or adjacent to interstate highways and limited-access state highways.

SB 124, by Senators Overbey and Garnett : AN ACT relating to summoning jurors in criminal cases from adjoining counties.

SB 125, by Senators Overbey and Garnett: AN ACT relating to expenses of circuit judges.

SB 126, by Senator Garnett: AN ACT relating to attorney's fees.

SB 127, by Senator Blake: AN ACT relating to the cigarette tax.

SB 128, by Senator Johnson: AN ACT relating to property taxation.

Report of Committees

Committee on Library and Historical Records reported **SB 110** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 110, AN ACT relating to libraries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 173.310 of the Kentucky Revised Statutes is amended to read as follows:

Any governmental unit may provide library service for its inhabitants according to any one of the following methods:

(1) The legislative body on its own initiative may establish an independent library.

(2) Upon receipt of a petition signed by a number of taxpayers equal to five percent of the number of votes cast for officers in the last general election of such governmental unit, the legislative body shall submit the question to a vote at the next general election. If a majority of those voting on the question vote in favor of the proposition, the legislative body shall forthwith establish a library, except as provided in subsection (4) of this section.

(3) The legislative bodies of two or more adjacent counties may on their own initiative, or upon a petition and vote in each county as provided in subsection (2) above, or upon the initiative of some legislative bodies and petition and vote in others, join in establishing and maintaining a regional library, provided the aggregate assessed valuation of the property assessable for local taxation in such counties is a minimum of $10,000,000, and subject to the provisions of KRS 173.320.

(4) The legislative body of any governmental unit may on its own initiative contract to receive service from an existing nearby library, the library of a nearby institution of higher learning, the State Library Extension Division, or from a nearby library not owned by a governmental unit but which provides free service, each of these having reciprocal power to render the service. In the event of a petition and vote as provided by subsection (2), a legislative body shall have the privilege of providing library service by contract in lieu of establishing an independent library.

When any one of the above methods has been complied with, the legislative bodies of the governing units shall at once make the necessary appropriation or levy to establish and maintain such library service annually and perpetually.

Section 2. Section 173.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) After the legislative body of a governmental unit has made provisions for library service according to any of the methods set forth in KRS 173.310, the legislative body shall appropriate money annually to furnish such service. In library regions it shall not be less than three cents, nor more than ten cents on each one hundred dollars worth of property assessed for local taxation. In all other governmental units it shall be not less than five cents nor more than fifteen cents on each one hundred dollars worth of property assessed for local taxation. It may be a special levy if the constitutional limit has not already been levied or this amount included in the general tax levy.

(2) The legislative body of a governmental unit providing for library service by contract may appropriate an amount of money less than required by subsection (1) of this section, but not less than the amount needed to fulfill the contractual obligations incurred.

(3) When the constitutional limit has been reached, a reasonable amount of money shall be appropriated for library services. In determining the amount, the existing condition of library services, the need for expansion of library services, and past appropriations for library services shall be considered. The amount appropriated shall be subject to review by the state Local Finance officer.

(4) All funds for the library shall be deposited monthly to the credit of the library board. These funds shall not be used for any but library purposes. The treasurer of the library board shall be required to execute bond with good and sufficient surety thereon for the faithful performance of his duties, the amount of the bond to be fixed by the board. If the bond has a corporate surety the premium shall be paid from the library fund. The board shall have exclusive control of expenditures, subject to an examination of accounts as may be required by the legislative body, and money shall be paid only upon vouchers approved by the board. The board shall not make expenditures or incur indebtedness in any year in excess of the amount of money appropriated and available for library purposes, except where a library board is the owner of real estate not used for library purposes, in which case they may borrow money secured solely by that property. Principal and interest on indebtedness on real estate owned by a library board not used for library purposes is not chargeable to the library funds derived from taxation.

Orders of the Day

SB 27, SB 60, SB 42 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 21 taken from Orders of the Day. Senator Overbey moved that **SB 21** be recommitted to Committee on Ky. Statutes #2. Agreed.

SB 71 taken from Orders of the Day. Senator Blue moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 71 taken from Orders of the Day. Senator Francis moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 88 taken from Orders of the Day. Senator Blake moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 87 taken from Orders of the Day. Senator Miller moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 109 taken from Orders of the Day. Senator Garnett moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 12 taken from Orders of the Day, and ordered read at length for the third time. Senator Derickson moved that **HB 12** be read by title only. Agreed.

Senator Derickson moved the Previous Question on **HB 12.** Agreed.

Senator Hehl requested that the absentees be called. Agreed.

On the roll call, the vote was: Yeas 17— Blake, Brand, Blue, Craft, C. H. Davis, Derickson, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kinkead, Logan, Martin, Melton, Young. Nays 11—Bassett, Francis, Garnett, Hehl, Hickerson, Kelly, Kidwell, Miller, Overbey, Raney, Ware. **HB 12** was passed and the title agreed to.

Senator Derickson moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HR 24 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved that **HR 24** be adopted by voice vote. Agreed. Seconded by Senator Johnson.

SB 97 taken from Orders of the Day and ordered read at length

for the third time. Senator Melton moved that **SB 97** be read by title only. Agreed.

Senator Melton moved the Previous Question on **SB 97.** Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Blake, Brand, Blue, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Raney, Ware. Nays 0. **SB 97** was passed and the title agreed to.

Senator Melton moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 1** and **SB 2** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Reference of Bills

The President announced reference of the following bills:
Courts and Legal Procedure: **SB 119, SB 120.**
Public Health: **SB 121, HB 54.**
Administrative Agencies: **SB 122.**

Senator Ware moved that the Senate do now adjourn until twelve noon, February 9. Agreed.

TUESDAY, FEBRUARY 9, 1960

TWENTY-NINTH LEGISLATIVE DAY

The Senate was called to order by the President Pro Tem Senator Kidwell.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called and all were present.

Reading of the Journal for February 8 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 129, by Senator Martin: AN ACT relating to mining regulations.

SB 130, by Senators D. W. Howard and Duncan: AN ACT relating to gasoline not used on highways.

SB 131, by Senators Overbey, Garnett, C. H. Davis, Brand, D. W. Howard and Mrs. J. H. Davis: AN ACT imposing liability to injuries caused due to the sale of alcoholic beverages.

SB 132, by Senator Derickson: AN ACT relating to weights, measures and millers' tolls.

SB 133, by Senator Raney: AN ACT relating to Unemployment Insurance.

SR 26, by Senator Bassett: A RESOLUTION relating to employment in the state service.

Motions

Senator Bassett moved the adoption of **SR 26**.

Senator Bassett moved for a roll call on **SR 26**, seconded by Senator Richmond.

SR 26, A RESOLUTION relating to employment in the state service.

WHEREAS, the Governor of the Commonwealth of Kentucky, by Executive Order, has directed a fifteen percent reduction in the number of state personnel employed by the various state departments, and

WHEREAS, each department has been instructed to report all action taken under this order, and

WHEREAS, the Senate recognizes the necessity for economy in state government, and

WHEREAS, one basic factor in government economy is the retention of experienced and efficient personnel; and

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Personnel is requested to submit a list of personnel discharged from the state service since December 8, 1959.

Section 2. That such listing of discharged personnel be by departments with a specific indication of the length of state employment of each person involved.

Section 3. That such report be delivered to the Clerk of the Senate no later than March 1, 1960, and that the Clerk of the Senate distribute copies of said report to all members of the Senate.

On the roll call, the vote was: Yeas 12—Bassett, Blake, Byers, Conley, Mrs. J. Harry Davis, Duncan, Hamilton, Johnson, Miller, Overbey, Richmond, Young. Nays 21—Bishop, Brand, Blue, Bonn, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Kidwell, Kinkead, Logan, Melton, Raney, Ware, White. **SR 26** was rejected.

Senator Richmond moved the adoption of **SR 27.** Agreed.

SR 27, A JOINT RESOLUTION authorizing and directing the Legislative Research Commission to make a study of the need for additional institutions of higher learning within the Commonwealth.

WHEREAS, it is essential to have well educated men and women to ensure the continued growth and prosperity of the Commonwealth; and

WHEREAS, it is incumbent upon the Commonwealth to ensure that adequate facilities are available to educate and train its men and women;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is authorized and directed to make an investigation and study of the need for additional institutions of higher learning within the Commonwealth.

Section 2. That for the purposes of this study the Legislative Research Commission shall consider the adequacy of institutions without the Commonwealth as well as within, and the need for junior colleges and four-year colleges in all areas of the Commonwealth.

Section 3. That the Department of Education, and such other state agencies as the Legislative Research Commission may require, are directed to cooperate to the fullest extent in the preparation of the study.

Section 4. That the Legislative Research Commission shall include its findings in a report to the General Assembly of the Commonwealth of Kentucky, such report to be submitted to the 1962 Regular Session.

Senator Bishop moved the adoption of **SR 28.** Agreed.

SR 28, A RESOLUTION requesting the Division of Parks to investigate the potential of The Narrows on the south fork of the Kentucky River in Clay County, at Teges, Kentucky, as a site for a State Park.

WHEREAS, The Narrows is approximately 50 miles from the Levi Jackson State Park, at London, Kentucky, and approximately 40 miles from the Buckhorn Reservoir, in Perry County, and 60 miles from Natural Bridge State Park; and

WHEREAS, a State Park in this location will serve parts of several counties locally, and is on Highway 11, which runs north and south across the State, and will be a major attraction for tourists if properly developed; and

WHEREAS, there is a rapids in the river of some 80 foot pitch with ideal waters for swimming, boating and fishing; and

WHEREAS, the old Narrows' water mill can be replaced at a reasonable expense to attract many tourists; and

WHEREAS, there are some three or four hundred acres of level and rolling land nearby that can be obtained for picnicking and other tourists facilities such as play grounds and trailer parking; and

WHEREAS, there is a cave, an ever-running spring, and an historical wagon road leading in from the north; and

WHEREAS, all of this area is over-hung with ivy, wild flowers and other beautiful attractions that would be admired by visitors; and

WHEREAS, hundreds of people who have gone to other states return to this place every year to see it as it is at the present time;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky the House of Representatives concurring therein:

Section 1. That the Division of Parks of the Department of Conservation be, and it hereby is, requested to investigate the potential of the Narrows on the south fork of the Kentucky River as a site for a State Park.

Section 2. That if the division finds the location suitable for a State Park, the division is directed to take the necessary steps to create a State Park at the Narrows.

Section 3. That the Clerk of the Senate is instructed to forward a copy of this resolution to the Commissioner of Conservation.

House Message

Announcing passage of **HB 67, SR 25.**

Senator Francis moved that the Rules be suspended for the purpose of reconsidering **HB 67.** Agreed.

Senator Francis moved that the vote by which **HB 67** was passed be reconsidered and said motion be laid on the table to the contrary notwithstanding. Agreed.

Senator Francis moved that the vote by which **HB 67** was passed be reconsidered. Agreed.

Senator Francis moved that **HB 67** be recommitted to the Committee on Ky. Statutes #1. Agreed.

Reports of Committees

Committee on Classification of Towns and Cities reported **SB 106, HB 15** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 106, AN ACT changing the classification of the City of Fort Wright in Kenton County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Fort Wright, in Kenton County, is such as to justify its being classified as a city of the fourth class.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of Fort Wright, in Kenton County, is transferred from the sixth to the fourth class of cities.

HB 15, AN ACT changing the classification of the city of North Middletown, in Bourbon county.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the city of North Middletown, in Bourbon County, is such as to justify its being classified as a city of the fifth class;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of North Middletown, in Bourbon county, is transferred from the sixth to the fifth class of cities.

Committee on Executive and Legislative Affairs reported **HB 35** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 35, AN ACT relating to public offices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 61.160 of the Kentucky Revised Statutes is amended to read as follows:

Public offices in counties containing a city of any class may close any one work day of any week.

Committee on Rural Roads and Highways reported **SB 92** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 92, AN ACT relating to obstructing and littering highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 433.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall throw or deposit upon any public highway any glass, nail, tack, hoop, wire or can or any other substance likely to injure any person, animal or vehicle.

(2) Any person removing a wrecked or damaged vehicle from a highway shall remove any glass or other injurious substance dropped upon the highway from such vehicle.

(3) Any person who violates this section shall be fined not less than fifty dollars nor more than three hundred dollars for each offense.

Committee on Judiciary and Judicial Council reported **SB 105, SB 45, SB 114, SB 96, SB 91** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 105, AN ACT relating to the terms of court in the Nineteenth Judicial District.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The preamble and subsection (19) of section 23.050 of the Kentucky Revised Statutes is amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

(19) (a) Nineteenth District: Bracken County, at Brooksville, on the first Monday in March, the first Monday in July, and the first Monday in November, eighteen juridical days each;

(b) Fleming County, at Flemingsburg, on the first Monday in February, the first Monday in June, and the first Monday in October, eighteen juridical days each;

(c) Mason County, at Maysville, on the first Monday in January, the first Monday in May, and the first Monday in September, twenty-four juridical days each.

Section 2. WHEREAS, the next term of Court in Mason County commences on the fourth Monday in March, an emergency is declared to exist and this Act shall become effective May 1, 1960.

SB 45, AN ACT relating to district detectives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of Section 69.110 of the Kentucky Revised Statutes is amended to read as follows:

In counties containing a city of the second class the Commonwealth's attorney shall appoint a district detective for a term of four years subject to removal at any time by the Commonwealth's attorney. He shall receive an annual salary of not less than $4,000, nor more than $6,000, to be fixed by the fiscal court and paid out of the county levy in equal monthly installments.

SB 114, AN ACT relating to solicitation of legal business.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person shall procure or solicit any legal business for an attorney at law, under expectation or promise, whether express or implied, of being paid in any manner.

Section 2. Any person who violates this Act shall be fined not more than one thousand dollars or imprisoned not more than six months, or both.

SB 96, AN ACT relating to rules of the Court of Appeals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 30.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Court of Appeals shall adopt and promulgate rules:

(a) Defining the practice of law;

(b) Prescribing a code of ethics governing the professional conduct of attorneys and the practice of law;

(c) Establishing practice and procedure for disciplining, suspending and disbarring attorneys;

(d) Organizing and governing a Bar Association of the attorneys of the state to act as an administrative agency of the Court of Appeals for the purpose of enforcing such rules as are adopted and promulgated by the court under this section; providing for the government of the State Bar as a part of the judicial department of state government, and for such divisions thereof as the Court of Appeals determines; requiring all persons practicing law in this state to be members in good standing of the State Bar; and fixing the form of its organization and operation;

(e) Fixing fees upon recommendation of the board of Bar Commissioners to be paid for the purpose of administering this section and the rules adopted and promulgated under it, and for the collection and disbursement of such fees.

(2) The rules of court adopted and promulgated under this section shall supersede all laws or parts of law in conflict therewith, to the extent of the conflict.

(3) No rule adopted and promulgated under this section shall prevent a person not holding himself out as a practicing attorney from writing a deed, mortgage or will, or prevent a person from drawing any instrument to which he is a party.

SB 91, AN ACT relating to the Thirtieth Circuit Court District.

WHEREAS, an enumeration reveals that the population of Jefferson County is such as to justify the authorization of two additional judges to the Circuit Court of the Thirtieth Circuit Court District, and

WHEREAS, each of the two existing Chancery Divisions of the

Thirtieth Circuit Court District has had before it the following number of cases in each of the following years:

1954	1983 cases
1955	1998 cases
1956	2047 cases
1957	2064 cases
1958	2080 cases

WHEREAS, the Judicial Council of Kentucky has determined that the average annual case load of each Circuit Court is between 650 and 700 cases per annum, although some of such Courts handle as few as 250 cases per annum, which facts show a serious need for two additional Chancery Courts in the Thirtieth Judicial District;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) Two additional judges of the Circuit Court for the Thirtieth Circuit Court District are hereby authorized and added to said District.

(2) Two additional divisions are added to the Chancery Branch of the Circuit Court for the Thirtieth Circuit Court District, to be named the Chancery Branch Third Division and the Chancery Branch Fourth Division, and one of the additional judges provided for in this section shall be the judge of the Chancery Branch Third Division and one of the additional judges provided for in this section shall be the judge of the Chancery Branch Fourth Division.

(3) At the regular election to be held on the first Tuesday after the first Monday in November, 1961, there shall be elected for the Thirtieth Circuit Court District, in addition to the judges of the Chancery Branch provided for in KRS 24.190, a judge of the Chancery Branch Third Division and a judge of the Chancery Branch Fourth Division. Such elections shall be held in accordance with the provisions of KRS 24.190.

(4) The courts in the Thirtieth Circuit Court District shall be held and the business therein conducted in the manner now provided by law for circuit courts having seven judges.

(5) This Act shall become effective on September 1, 1960.

Calendar

SB 110 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that it be read by title only. Agreed. Ordered placed in Orders of the Day.

Senator McCann moved that the Rules be suspended for the purpose of introducing guests. Agreed.

Orders of the Day

SB 27 taken from Orders of the Day and ordered read at length for the third time. Senator McCann moved that it be read by title only. Agreed.

Senator McCann moved, seconded by Senator Johnson, the Previous Question on **SB 27.** Agreed.

Senator McCann requested that a roll call be taken on the Previous Question, which lost for lack of a second.

SB 60 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 60.** Agreed.

On the roll call, the vote was: Yeas 30—Bishop, Blake, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney Ware, White. Nays 5—Bassett, Byers, Duncan, Hamilton, Richmond. **SB 60** was passed and the title agreed to.

Senator Ware moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 71, SB 42 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 88 taken from Orders of the Day. Senator White moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 71 taken from Orders of the Day, and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Garnett moved that Amendment #1 to **HB 71** be adopted. Agreed.

Amendment #1 to **HB 71** is as follows:

"Amend printed copy of **HB 71**, on page 2, line 14, by inserting after the word "party" and before the word "fails" the word "willfully."

Amendment #1 was adopted by voice vote.

Senator Francis moved the Previous Question on **HB 71** as amended. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, McCann, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 2—Logan, Richmond. **HB 71** was passed and the title agreed to.

Senator Francis moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 87 taken from Orders of the Day and ordered read at length for the third time. Senator Miller moved that it be read by title only. Agreed.

Senator Miller moved the Previous Question on **SB 87.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Byers, Craft, C. H. Davis, Derickson, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware White, Young. Nays 2—Bonn, Duffy. **SB 87** was passed and the title agreed to.

Senator Miller moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 68, HB 69, HB 70, HB 72, HB 73** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President Pro Tem. Ordered delivered to the House.

SB 109 taken from Orders of the Day and ordered read at length for the third time. Senator Garnett moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 109.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware, White. Nays 1—Bonn. **SB 109** was passed and the title agreed to.

SB 36, with Committee Amendments attached thereto, taken from the Clerk's desk on motion of Senator Ware. Agreed.

Senator Ware moved the adoption of Amendment #1, which was adopted by voice vote.

Senator Ware moved that **SB 36**, as amended, be recommitted to Committee on Municipalities. Agreed.

Senator McCann moved that **SB 27** be recommitted to Committee on Public Health. Agreed.

Senator Ware moved that when the Senate adjourn, it adjourn to meet at eleven a.m., central standard time, on February 10. Agreed.

Reference of Bills

The President Pro Tem announced reference of the following bills:

Ky. Statutes #1: **SB 123**

Criminal Law: **SB 124, HB 46**

Courts and Legal Procedure: **SB 126**

Ky. Statutes #2: **SB 127, SB 128**

Senator Ware moved that the Senate do now adjourn until eleven a.m., February 10. Agreed.

WEDNESDAY, FEBRUARY 10, 1960

THIRTIETH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators Bishop, Bonn, Conley, Duncan, Johnson and Miller, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 9 dispensed with and the same approved on motion of Senator McCann.

House Message

Announcing passage of **HB 17, HB 36, HB 48, HB 97, HB 142, HB 166, HB 173, HB 174, SB 12, SB 52, SB 53, SB 54.**

Motions

Senators D. Howard and C. Howard moved that the House be requested to return **HB 71** to the Senate for reconsideration.

Senator McCann moved that Senator Howard's motion be tabled indefinitely, which motion died for lack of a second.

Senators Francis and D. Howard requested a roll call on Senator D. Howard's motion. Agreed.

On the roll call, the vote was Yeas 19—Brand, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kinkead, Logan, Martin, Melton, Overbey, Raney, Richmond. Nays 9—Bassett, Duffy, Francis, Garnett, Kidwell McCann, Ware, White, Young. Senator Howard's motion requesting House to return **HB 71** was passed.

Senator Young arose to a point of order and requested the opinion of the Chair as to whether or not it takes a constitutional majority to recall a bill from the House. The Chair ruled that a simple majority may request the return of a bill.

Introduction of Bills

SB 134, by Senator McCann: AN ACT relating to elections.

SB 135, by Senator Duffy: AN ACT pertaining to Juvenile Courts, clarifying their jurisdiction and powers, defining more clearly certain terms used in the existing law, and transferring certain sections pertaining to such Courts from other Chapters in Kentucky Revised Statutes into Chapters 208 thereof.

SB 136, by Senator Duffy: AN ACT relating to sewer construction district and an alternate method of financing same.

SB 137, by Senator Duffy: AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.052, 100.055 and 100.056.

SB 138, by Senator Duffy: AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.057.

SB 139, by Senator Duffy: AN ACT relating to planning and zoning in cities of the first-class and in counties containing such cities, amending KRS 100.068 to 100.069.

SB 140, by Senator Duffy: AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.088.

SB 141, by Senator Mrs. J. H. Davis: AN ACT providing for the merger or consolidation of cities by vote of the people.

SB 142, by Senator Hamilton: AN ACT to prohibit the establishment of commercial business enterprises on limited access facilities.

SB 143, by Senator C. H. Davis: AN ACT relating to unemployment insurance.

Report of Committees

Committee on Criminal Law reported **SB 89** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 89, AN ACT relating to penalties for violation of laws relating to motor vehicle operation and amending 189.990 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of section 189.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.390 except subsection (4) (c), KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, or KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, shall be fined not less than ten dollars nor more than one hundred dollars for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than ten dollars nor more than two thousand dollars, or imprisoned in the penitentiary for not more than one year, or both.

Any person who violates KRS 189.390 (4) (c) shall be fined not less than one dollar nor more than twenty dollars. Neither court costs nor fees shall be taxed against any person convicted of violating KRS 189.390 (4) (c).

Committee on Ky. Statutes #1 reported **SB 112** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 112, AN ACT relating to embalmers and funeral directors, amending Chapter 316 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 316.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Association" means the Funeral Directors Association of Kentucky;

(2) "Board" means the State Board of Embalmers and Funeral Directors;

(3) "Branch establishment" means an establishment owned by a licensed funeral director in a place apart from his main establishment.

Section 2. KRS 316.020 is amended to read as follows:

(1) No person not registered in this State as an embalmer or as a funeral director on or prior to May 15, 1960, shall engage in, or attempt to engage in, embalming or funeral directing until he has been licensed to do so under the provisions of this chapter.

(2) One member of every firm, and one officer and one stockholder of every corporation, that engages in embalming and funeral directing in Kentucky, shall be a licensed embalmer and licensed funeral director, having Kentucky license in full force and effect. Each establishment devoted to the care, preparation or disposal of dead human bodies must be under the direct and constant supervision of a licensed embalmer and licensed funeral director, having Kentucky licenses in full force and effect.

Section 3. KRS 316.030 is amended to read as follows:

An applicant for embalmer's license must be 21 years of age and a graduate of an accredited high school, as evidenced by a certificate or diploma from such accredited high school. He shall have completed a course of study of one year in science and art of embalming, disinfection and sanitation in an accredited school of embalming recognized by the Board. He shall have served two additional years of apprenticeship under a licensed embalmer and licensed funeral director holding a Kentucky license. The licensed embalmer and funeral director must have an established funeral home in Kentucky.

Section 4. KRS 316.040 is amended to read as follows:

When beginning the apprenticeship as required in KRS 316.030 the applicant shall come before the Board and file a Certificate of Registration, under oath, showing that he is 18 years of age. The Certificate shall have the name of the person under whom he will serve his apprenticeship, the date of registration, and a sworn statement by the person under whom he is registered that the applicant will do actual service, devoting all his working hours to the service, and will be paid a monthly salary. The applicant will pay a registration fee of $5.00. He will affirm the requirements set out in the apprenticeship forms furnished by the Board which state the applicant will serve three consecutive years of apprenticeship, the one year spent in embalming college to apply on his three year's apprenticeship, with an additional two years under the direct supervision of a licensed embalmer and licensed funeral director whose license is in full force and effect in Kentucky. The Secretary of the Board will furnish the applicant forms to keep a record of his working hours as an apprentice and he shall file these reports every six months for a period of three years with the Secretary of the Board. In these reports he will show the hours he has worked, the number of bodies he has assisted in preparing, and the salary paid him monthly. These forms shall be signed by him and the person under whom he is registered, their signatures being sworn to by a Notary Public whose Commission is in full force and effect.

Section 5. KRS 316.050 is amended to read as follows:

After completing a course of study as required in KRS 316.030 and two additional years of apprenticeship as required in KRS 316.040, any person desiring to take an embalmer's examination shall make a written application to the Secretary of the Board, accompanied by a fee of $25.00, the application forms to be furnished by the Board. He shall give detailed information as required in KRS 316.030 and KRS 316.040. He shall furnish the Board with two certificates of good moral character, the certificates to be signed and sworn to by a licensed embalmer and a licensed funeral director engaged in business in Kentucky and holding Kentucky embalmer and funeral director's licenses in full force and effect in Kentucky. If, after reveiewing the application, the Board finds the applicant has complied with all the requirements of law set out in this Chapter, the Secretary of the Board shall notify the applicant that he is entitled to take the examination and the time and place of the examination.

Section 6. KRS 316.060 is hereby repealed.

Section 7. KRS 316.070 is amended to read as follows:

The Secretary of the Board shall mail notices to all established funeral firms in the State fifteen days before an examination, listing the names of all persons admitted by the Board to take the examination, and setting out the time and place of the examination.

If the applicant being examined by the Board makes a passing grade and the Board finds he is otherwise qualified, it shall issue him a license to practice the science of embalming. This license shall be signed by the members of the Board and authenticated by its seal.

Section 8. KRS 316.080 is amended to read as follows:

(1) An applicant who receives a license shall have it registered in the office of the County Court Clerk of the county of his residence and shall pay the Clerk a fee of one dollar for registration.

(2) A licensee shall display his license certificate in a public place in his place of business. If for any cause this certificate should be destroyed the applicant shall make a sworn statement of such destruction and go before the State Board and ask for a duplicate license. All licensed embalmers must have a certificate to show they are licensed and that their license is in full force and effect.

Section 9. KRS 316.090 is amended to read as follows:

An applicant for a funeral director's license shall be 21 years of age, a graduate of an accredited High School, and shall have served three consecutive years apprenticeship under a licensed embalmer and licensed funeral director who have an established funeral home in Kentucky. He shall devote all of his working hours to this apprenticeship, being paid a regular monthly salary. He shall meet all the requirements of this Chapter as it relates to the apprenticeship and registration and examination of an embalmer with the exception of the provisions in KRS 316.030 and KRS 316.040 which relate to the completion of a course of study of one year "in science and art of embalming, disinfection and sanitation in an accredited school of embalming recognized by the State Board." The one year in embalming school will not be required for an applicant for funeral director's license. He shall serve three consecutive years apprenticeship.

Section 10. KRS 316.100 is hereby repealed.

Section 11. KRS 316.110 is amended to read as follows:

If the Board finds that the applicant has met all of the requirements of KRS 316.090 and related sections of this chapter, it shall issue him a license to practice funeral directing and register him as a licensed funeral director. This license shall be signed by a majority of the members of the Board and authenticated by its seal. Requirements for registration and display shall be the same as those established herein in the case of embalmers' licenses.

Section 12. KRS 316.120 is hereby repealed.

Section 13. KRS 316.130 is amended to read as follows:

(1) No license granted under this Chapter shall be issued or re-

newed for a period exceeding one year. Every license and renewal shall expire on July 31 following the date of its issuance unless sooner revoked or cancelled.

(2) Every licensed embalmer and every licensed funeral director who desires to continue to practice shall have his license renewed by filing an application for renewal with the Secretary of the State Board each year within thirty days next before the expiration of his license, upon blanks furnished by the Board. He shall pay a renewal fee of $5.00.

(3) No license granted under this Chapter shall be transferrable.

Section 14. KRS 316.140 is amended to read as follows:

Any person holding a valid embalmer's or funeral director's license currently in force which has been issued by an authority of another state or federal district having a law recognized by the Board as comparable to the Kentucky law governing embalmers and funeral directors, and who wishes to engage in the practice of embalming or funeral directing in this state, may make a written application to the Secretary of the Board, accompanied by a $50.00 application fee and by a certificate from the authority which issued his license showing that he is the holder of a currently valid license obtained by examination while a resident of the state or federal district in which he is licensed. If the Board finds that the applicant has met the qualifications and complied with the requirements of this chapter, it may grant him the privilege of taking the desired examination for an embalmer's or a funeral director's license.

Section 15. KRS 316.150 is hereby amended to read as follows:

(1) The Board may, upon sufficient proof submitted to them by sworn statements or testimony, refuse to issue, refuse to renew, or may revoke or suspend, the license of any licensed Kentucky embalmer or funeral director for any of the following causes:

(a) Conviction for violation of the requirements of this chapter; conviction of a felony, or any misdemeanor resulting in imprisonment or a fine of more than five hundred dollars;

(b) The payment or offering to pay, directly or indirectly of any consideration of value to secure a funeral, prior to death or after death of any individual, or allowing any person in his employ or a member of his immediate family to pay anything of value to secure a funeral;

(c) The solicitation of business in any way by offering or giving any service which is not a normal function of a licensed funeral director or embalmer in a regular service;

(d) Permitting any person who is not a licensed embalmer or funeral director, holding Kentucky license in full force and effect, to perform any service pertaining to embalming or funeral directing required by law of a licensed embalmer or funeral director, from the time of death until interment.

(e) For assisting any applicant for funeral director's or embalmer's license to obtain the license by misrepresentation or fraud either in making application for apprenticeship, registration for apprenticeship, or during the period of serving apprenticeship, or in taking or passing the examination for embalmer's or funeral director's license;

(f) For the operation of a Branch Establishment without a licensed embalmer and funeral director in complete charge who devotes his or their sole time to the management and affairs of the Branch Establishment and who is subject to call at all times in the section where the Branch is located. The Branch Manager must be a licensed embalmer and a licensed funeral director with his license in full force and effect in Kentucky.

(2) For the purposes of taking testimony under this section, and for the purposes of any other section of this chapter, each member of the Board, and the Secretary thereof, is hereby endowed with the authority to administer oaths in the same manner as a clerk of a court of record. The Board, or any member thereof, may subpoena licensees or other witnesses to appear before it.

Section 16. KRS 316.160 is amended to read as follows:

An appeal may be taken to the Franklin Circuit Court from any decision of the Board revoking, suspending, or refusing to issue or renew, any license. Upon appeal the court shall be limited to a determination as to whether the Board had acted in excess of its powers, or fraudulently or arbitrarily.

Section 17. KRS 316.170 is amended to read as follows:

The State Board of Embalmers and Funeral Directors of the State of Kentucky shall consist of five members who shall be residents of the State and shall be licensed embalmers and licensed funeral directors of this State with an established funeral home in Kentucky, with a minimum of ten years consecutive experience in the practice of embalming and funeral directing in this state immediately preceding their appointment.

Section 18. KRS 316.180 is amended to read as follows:

(1) The Governor shall make all appointments to the Board from a list of names furnished him each year by the members of the Funeral Directors Association of Kentucky in their annual June Convention, by vote of the majority of members present. Three names shall be selected each year who meet the requirements of KRS 316.170. The Secretary of the State Association will send the names selected to the Governor for appointment. The Governor shall appoint one member of the Board each year and every fourth year shall appoint two members, selecting each person appointed from the list of names submitted by the last session of the Funeral Directors Association of

Kentucky in its last June Convention. The term of each member will be four years.

(2) Vacancies occurring on the Board shall be filled by the Governor for the unexpired terms.

(3) The Governor shall furnish a certificate of appointment to each person appointed to the Board.

Section 19. KRS 316.190 is amended to read as follows:

The Board shall select a President from its own members. The Board may also select a Secretary Treasurer. The election of officers shall be each December in regular meeting.

Section 20. KRS 316.200 is amended to read as follows:

An appointee to the Board shall take the oath required in Section 228 of the Constitution within ten days after his appointment. The fact that he has taken the oath shall be noted on the certificate of appointment required by subsection (3) of KRS 316.180 and filed with the Board.

Section 21. KRS 316.210 is amended to read as follows:

(1) Every member of the Board with the exception of the Secretary shall receive compensation of $25.00 per day, not to exceed sixty days per year actually spent by him upon the business of the Board, and shall be reimbursed for his necessary traveling expenses and other necessary expenses incurred incident to attendance of Board meeting and other business of the Board.

(2) The Secretary shall receive an annual salary to be fixed by the Board. In addition to the salary the Secretary shall receive necessary traveling expense incurred in the performance of his duties.

(3) The Board shall meet as often as is necessary to efficiently and legally discharge the duties of the Board and the requirements of this Chapter, but not less often than once a year. Three members of the Board will constitute a quorum.

(4) The Board shall adopt, promulgate and enforce regulations for the transaction of its business, the management of its affairs, and the promotion of the educational standards of the profession, as it considers expedient and consistent with the laws of this State. All Regulations must be filed with the Legislative Research Commission.

(5) The Board shall adopt a Common seal.

(6) The Board shall prescribe standards of efficiency of those who are engaged in the practice of embalming and funeral directing, employ any clerical help necessary to carry out the requirements of this chapter, and set the terms, conditions and compensation of such employes.

Section 22. KRS 316.220, KRS 316.230 and KRS 316.240 are hereby repealed.

Section 23. KRS 316.250 is amended to read as follows:

(1) The Board may recommend a person whose title shall be Field Counsel for the Association. Such recommendation in order to become effective must be ratified by the members of the Funeral Directors Association of Kentucky at its annual June meeting by a vote of a majority of the members present.

(2) When recommended by the Board and ratified by the members of the Association, the Field Counsel shall receive such compensation and expenses as determined by the Association and Board.

(3) The Field Counsel shall enter the premises of any embalmer or funeral director in this state or any premises where embalming or funeral directing is carried on for the purpose of inspecting the premises and the license and registration of embalmers and funeral directors and apprentices operating therein and also to make investigations of violations of this Chapter.

Section 24. KRS 316.990 is amended to read as follows:

(1) Any person who violates KRS 316.020, by engaging in or attempting to engage in embalming or funeral directing or doing any part of a service pertaining to embalming or funeral directing from time of death until the interment of a dead human body, who is not licensed under this Chapter, shall be fined $100.00 for each offense.

(2) Any person not licensed under this chapter who conducts a funeral establishment or corporation for the preparation and burial of dead human bodies, or who holds himself out to be an embalmer or funeral director, or who prepares, cares for, or disposes of dead human bodies within the meaning of this Chapter, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined $500.00. Each day that such establishment is open to the public in violation of this Chapter shall be a separate offense.

Committee on Ky. Statutes #1 reported **HB 67** with the expression of opinion that same should pass by way of Committee Substitute. Committee Substitute for **HB 67** read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **HB 67**, AN ACT relating to clerk's fees.

WHEREAS, House Bill 67 of this session, which relates to fees for additional clerk's duties under the Uniform Commercial Code, has passed both the House of Representatives and the Senate; and

WHEREAS, the bill purported to amend KRS 64.010, but did not set out the present text of the section; and

WHEREAS, it is preferable to amend the section by setting out both the present text and the new matter;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.010 of the Kentucky Revised Statutes is amended to read as follows:

The clerk of the Court of Appeals and the clerks of circuit courts and county courts, as far as the same will apply, shall receive for the following services the following fee:

Issuing summons	$ 0.70
Each copy thereof	.40
Entering return thereon	.40
Issuing order of attachment	.70
Each copy thereof	.40
Entering return thereon	.40
Issuing order of injunction	.70
Each copy thereof	.40
Entering return thereon	.40
Issuing subpoena	.70
(All of the witnesses living in the same county ordered to be summoned at the same time shall be included in one subpoena, and the fee therefor shall not be increased.)	
Issuing attachment for a witness	.70
Issuing order of arrest	.70
Each copy thereof	.40
Entering return thereon	.40
Issuing order of delivery	.70
Each copy thereof	.40
Entering return thereon	.40
Issuing each writ of possession	2.00
Docketing an action, motion or proceeding	.25
Order assigning cases to a division of court	.50
Warning order by clerk	.70
Order of clerk appointing warning order attorney	.70
Issuing a rule	.70
Each copy thereof	.40
Filing return on rule	.40
Endorsing each step taken in an action on a "step sheet" or envelope in the file or on the rule docket	.25
Filing a pleading	.40
Filing each exhibit or other paper not a pleading	.30
Swearing, entering attendance and issuing certificates of attendance of witnesses, each witness	.50
Each commission to take deposition	1.50
Filing a deposition, to be charged but once in each case, and all those contained in one envelope to be counted as one	.40
Taking a recognizance of a party or witness	.50

Entering or noting of record in order book each order or direction of the court, an order filing any pleading or other paper, each motion, demurrer, disposition thereof or ruling of the court or any other step taken, each	.50
Copy thereof	.50
Attendance in court, other than circuit court, upon each trial of an action, to be charged to each party for each trial	1.50
Attending by himself or by deputy and keeping order in the circuit court, to be paid out of the State Treasury, for each day	6.00
Swearing a jury	.75
Entering a judgment (other than equity action)	1.25
Each copy thereof	.75
Entering or recording a judgment in an equity action, for every ten words	.03
Taxation of costs of each party, to be charged to such party	.75
Each copy of a taxation of costs of each party, if called for	.50
Filing copy of costs taxed in the case file	.40
Issuing an execution, with all endorsements thereon	1.50
Each copy of an execution with all endorsements thereon	1.00
Recording an execution with endorsements, returns and all papers therewith, when real estate is sold, each ten words	.03
Copying a record for Court of Appeals or other purpose, each ten words	.03
Issuing a supersedeas	1.00
Each copy thereof	.40
Entering return thereon	.40
Filing each transcript on appeal	.40
Entering satisfaction, release, or discharge of a judgment in whole or in part in court or on an order book, to be paid by the party procuring the same	.75
Copying a pleading or other paper, each ten words	.03
Indexing in plaintiff's and Defendant's General Index to suits, each name of parties to an action, to be charged for each listing and once in each case	.30
Indexing in Defendant's Index of Execution of each name of parties to such execution, to be charged for each listing and for each execution issued	.30
Indexing in Plaintiff's and Defendant's index of Judgments of each name of parties to a judgment, to be charged for each listing and for each judgment	.30
Each order made by the clerk in vacation or made by the clerk when the court is not in vacation	.70
Each order in the county court	.60
Each copy thereof when ordered	.40
Probate of a will and certificate, including all services relating thereto	1.50

Order granting an administration, or appointing appraisers of estate of any fiduciary	.75
Taking a bond for any fiduciary	1.50
Certificate of administration or copy of it	.75
Issuing a writ of idiocy or lunacy	1.00
Recording each inquisition under same	1.00
Each copy of such inquisition when ordered	1.00
Recording deed of trust or assignment for the benefit of creditors	2.70
Copy of same when ordered	1.25
Taking bonds required of the trustee or trustees in such cases; and including all services connected with it	2.70
Recording inventories required to be filed by the trustees, for every twenty words	.05
Each official certificate	1.50
Each bond required to be taken or prepared by the clerk	1.50
Taking a bond where no fee is fixed specially by law	1.50
Copy of any bond when ordered	1.50
Recording a bond, each bond	1.50
Receiving the acknowledgment or proof of any deed, mortgage or agreement, power of attorney, or other written instrument required by law to be done and certifying same	1.25
Recording powers of attorney, agreements, allotments of dower, division of land, wills, inventories, sale bills, settlements of fiduciary accounts, and certificates thereof, for every twenty words, or fraction thereof	.05
Recording any report of a commissioner, surveyor, assignee, trustee, receiver, administrator, executor, guardian or other official or person, each ten words	.03
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed twelve hundred words	2.50
All over twelve hundred words, every twenty words	.05
Each additional certificate	.40
Each additional tract embraced in such deed, except town lots	.40
Copy of deed and certificate thereon	2.50
Recording the conveyance of personal or chattel property, taking the acknowledgment or proof thereof, and recording the orders and certificates, including the whole services	2.00
Each copy thereof	1.50
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed twelve hundred words	2.50
All over twelve hundred words, for every twenty words	.05
Copy of same	2.50
Recording mortgage of personalty	2.00

Copy of same	1.50
Recording, entering or noting release of any lien, mortgage, or redemption other than a deed of release	.40
Receiving the acknowledgement, recording and certifying each deed of release of a mortgage or lien	1.50
Copying courses and distance of any deed, for each tract when demanded	.40
Recording plat laid down in the allotment of dower or division of land, for each tract thereof	.40
Recording or copying a plat or map of land, each lot	.40
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	6.75
Recording survey of a city, or any part thereof, or any addition to or extension of the boundary of a city	6.75
Every order concerning the establishment, changing, closing or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed or discontinued, and by the applicant when it is not	.50
Each order appointing a surveyor of road	.50
Each copy thereof	.50
(The last two named to be paid out of the county levy.)	
Each order in proceedings for private passways, to be paid by applicant	.50
Each copy of same, to be paid by applicant when ordered	.45
Each report of list of surveyors of roads made and furnished to the grand jury, to be paid out of the county levy	2.50
Copying a surveyor's report, for every twenty words or fraction thereof	.05
Administering an oath and certificate thereof	.75
Issuing license for which no other fee is fixed by law	1.50
Marriage license, bond, certificate and recording	3.00
Each order and certificate allowing any claim against the county treasurer or State Treasurer, where the claim exceeds five dollars, to be paid by the claimant	.70
Recording post notice of an estray, waifboat or wreck, and advertising same	1.00
For filing, indexing and furnishing filing data for an original or continuation financing statement	2.00
For filing and indexing a financing termination statement and sending or delivering the original financing statement	.75
For filing, indexing and furnishing filing data about an assignment of a financing statement	.75
For filing and noting a statement of release of collateral under a financing statement	.75

(all other fees to be the same as at present.)

Committee on Revenue and Taxation reported **SB 108** with the expression of opinion that same should pass, with the committee amendment attached thereto.

SB 108, AN ACT relating to occupations using vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 137.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) Any person who engages in the occupation of selling merchandise from a truck or other motor vehicle at or near a roadside or by peddling shall pay a license fee of $25.00 for each truck or motor vehicle used.

(b) The license shall be good for one year from the date issued and is not subject to KRS 137.080.

(c) Paragraph (a) of this subsection does not apply to a person who sells merchandise over a regular house-to-house route, or by sample.

(d) A person who has paid a license fee under subsection (1), (2), (3) or (6) of KRS 137.050 is entitled to have the amount paid credited against the fee charged by paragraph (a) of this section.

(2) Any person who engages in any of the businesses or exercises any of the privileges mentioned in subsection (1), (2), (3) and (6) of KRS 137.050 from a wagon, push cart, motor vehicle, or other similar contrivance in which the articles named in those subsections are transported from place to place and sold therefrom, or who engage in an occupation covered by subsection (1) of this section, shall procure a license from the county clerk in the first county where the business is to be conducted or the privilege exercised for each vehicle or contrivance so used. Notwithstanding the provisions of KRS 137.090 and 137.100, the license shall give an apt description of the vehicle or contrivance from which the business is to be conducted or the privilege exercised. Whenever any person to whom a license referred to in subsection (1), (2), (3) and (6) of KRS 137.050 or subsection (1) of this section has been granted and who has paid the required license tax shall change the vehicle, or contrivance for which the license was originally granted, the county clerk may amend the license in accordance with regulations of the Department of Revenue to permit the continued operation of the business. For this amendment, the county clerk shall receive a fee of twenty-five cents from the licensee.

Amend printed copy of **SB 108** by deleting in the title thereof the word "occupations" and inserting in lieu thereof the word "non-residents"

and

on page 1, section 1, line 3, after (1) (a) by deleting the words, "any persons" and inserting in lieu thereof the words "any non-resident"

and on page 1, section 1, (c), line 10, by deleting the words "a person" and inserting in lieu thereof the words "a non-resident" and on page 1, section 1, after (d) by deleting the words "a person" and inserting in lieu thereof the words "a non-resident"

and on page 2, section 1, line 16 after (2) by deleting the words "any person" and inserting in lieu thereof the words "any non-resident"

and on page 2, section 2 (2), line 28 by deleting the words "any person" and inserting in lieu thereof the words "any non-resident."

Calendar

SB 106, HB 15, HB 35, SB 92, SB 45, SB 114, SB 96, SB 91 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 71 taken from Orders of the Day and ordered read at length for the third time. Senator Blue moved that **SB 71** be read by title only. Agreed.

Senator Blue moved the Previous Question on **SB 71.** Agreed.

On the roll call, the vote was: Yeas 19—Blue, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Jackson, Kidwell, Martin, McCann, Melton, Raney, Richmond, Ware, White. Nays 6—Bassett, Bishop, Blake, Kinkead. Logan, Overbey. **SB 71** was passed and the title agreed to.

Senator Blue moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator White moved that **SB 88** be placed on the Clerk's desk. Agreed.

SB 42 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that **SB 42** be read by title only. Agreed.

Senator Ware moved that Amendment #1 to **SB 42** be adopted. Agreed.

Amendment #1 to **SB 42** is as follows:

Amend printed copy of **SB 42**, on page 2, section 4, line 3, by adding a new section after said line 3 to read as follows: "Section 5. No provision of this act shall be construed to be in conflict with, or to supersede, the provisions of KRS 81.280."

Senator Ware moved that Amendment #2 to **SB 42** be adopted. Agreed.

Amendment #2 to **SB 42** is as follows:

Amend printed copy of **SB 42**, on page 1, section 1, line 1, by deleting the word "first".

Senator Ware moved the Previous Question on **SB 42**, as amended. Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Blake, Brand, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Kinkead, Logan, Martin, McCann, Overbey, Raney, Ware, White, Young. Nays 5—Jackson, Kelly, Kidwell, Melton, Richmond. **SB 42** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 42** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 85.**

Report on Enrolled Bill

Committee on Enrollment reported that **SB 33** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator McCann moved that the Rules be suspended for the purpose of making Committee Reports. Agreed.

Reports of Committees

Committee on Public Health reported **HB 54, SB 46, HB 38, HB 39, SR 23** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 54, AN ACT relating to the treatment of patients having histoplasmosis or other fungus diseases in the state tuberculosis hospitals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

The State Tuberculosis Hospital Commission is authorized to accept and treat patients having histoplasmosis or other pulmonary fungus diseases in the state tuberculosis hospitals insofar as permitted by available facilities not fully utilized in the treatment of tuberculosis patients.

SB 46, AN ACT relating to deaths and the disposal of dead bodies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person shall cremate or cause to be cremated, or transport or cause to be transported for the purpose of cremation, the body of any person whose death occurs in this state, without first obtaining from the coroner of the county in which the death occurred, a death certificate stating the cause of death and authorizing the cremation, or transportation for cremation, of the body. Such certificate shall be filed immediately with the local registrar of vital statistics. No burial transit permit for the cremation or transportation for the purpose of cremation of the body of any such person shall be issued pursuant to KRS 213.110 by any registrar of vital statistics, except upon such authorization by the coroner as provided herein.

Section 2. Section 213.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) When a death occurs without a physician in attendance, the undertaker shall give notice of the death to the registrar, who shall then refer the case to the local health officer for immediate investigation and certification, prior to issuing the burial permit. If the circumstances of the case render it probable that the death was caused by crime, suicide, or by drowning or other sudden cause, or if death occurred without the attendance of a physician at any time during the thirty-six hours immediately prior to death, or if the body is to be cremated or transported out of the state for burial, the registrar shall refer the case to the coroner for his investigation and certification.

(2) Any coroner whose duty it is to hold an inquest on the body of any deceased person, and to make the certificate of death required for a burial permit, shall state in his certificate the nature of the disease or other cause of death. If the death was from external causes of violence, he shall state whether in his opinion the death was accidental, suicidal or homicidal. He shall in any case furnish the information required by the Division of Vital Statistics to properly classify the death.

Section 3. Section 213.130 of the Kentucky Revised Statutes is amended to read as follows:

No sexton or person having charge of or being the owner of any cemetery, crematorium or other premises in which dead bodies are interred, cremated, or otherwise disposed of, shall inter, cremate, or permit the interment, cremation, or other disposition of the body of any deceased person on such premises unless it is accompanied by a burial, removal, or transit permit as required by KRS 213.110. Each such person shall indorse upon the permit, over his signature, the date of interment, cremation or other disposition of the body, and return all permits so indorsed to the local registrar within ten days from the date of interment, cremation or other disposition, or within the time fixed by the local board of health. He shall also keep a record of all interments, cremation, or other dispositions of bodies made on the premises under his ownership or charge, stating the name of the deceased, his place of birth, the date of burial, cremation or other disposition, and the name and address of the undertaker. This record shall at all times be open to public inspection.

Section 4. Any person who violates Section 1 of this Act shall be fined not less than one thousand dollars nor more than five thousand dollars or imprisoned in the county jail for not less than thirty days nor more than one year, or both.

HB 38, AN ACT relating to the establishment of state tuberculosis hospital districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 215.061 of the Kentucky Revised Statutes is amended to read as follows:

The commission shall divide the state into tuberculosis hospital districts. The commission shall have authority, with the approval of the Governor, to transfer counties from one district to another when necessary in order to utilize the hospital facilities efficiently.

HB 39, AN ACT relating to the training and educating of personnel employed by the State Tuberculosis Hospital Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

The State Tuberculosis Hospital Commission is authorized to establish training schools at or within any of the hospitals operated by the commission, or at any hospital or hospitals cooperating in a joint program with the commission, for the training of necessary personnel for the hospitals, or may arrange for the training of employes or prospective employes in any public or private school or institution having available facilities for that purpose. Funds of the commission may be used to pay salaries, or to pay tuition and subsistence for employes or prospective employes, while receiving such training. Any employe or prospective employe who is paid a salary, or for whom tuition and subsistence are furnished, while receiving such training, shall be required to enter into a contract, prior to receiving such training, that unless he accepts and continues in any employment offered by the commission for at least a period equivalent to the training period, immediately following the completion of such training, he will reimburse to the commission the sum paid to or for him by the commission during or for the period of training.

SR 23, A RESOLUTION requesting each of the counties to establish a scholarship fund for the purpose of providing funds for the education of medical doctors through the facilities of the University of Kentucky Medical Center and providing that the recipients of such funds shall agree to practice general medicine in the donor county for a period of five years.

WHEREAS, there is existing in the Commonwealth of Kentucky, vast areas not served by a competent medical doctor; and,

WHEREAS, the health of all the citizens of Kentucky suffers from this lack through the communication of disease; and,

WHEREAS, it is desirable that outstanding students should not be denied the right to aid in this cause because of the lack of the proper financial means.

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky:

Section 1. Each of the counties of the Commonwealth of Kentucky is hereby requested to establish, by the means best suited to the county, a rotating scholarship fund for the purpose of granting scholarships to worthy and deserving students for the study of medicine at the University of Kentucky Medical Center.

Section 2. That each of the counties cause a study to be instituted to determine the needs of such county and establish a non-partisan, non-sectarian, non-political committee for the purpose of creating and maintaining the fund as provided in Section 1 of this Resolution.

Section 3. That each recipient of such scholarship be required, by appropriate means, to serve in the donor county in the general practice of medicine for a minimum period of five years after graduation.

Committee on Higher Education reported **SB 57, SB 102** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 57, AN ACT relating to the establishment, operation and regulation of independent business schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Independent business school", "business school" or "School" means an educational institution privately owned and operated by an individual, partnership, association or corporation offering business courses through residence, extension or correspondence for which tuition is charged in such subjects as typewriting, shorthand (manual or machine), filing and indexing, receptionist's duties, key-punch, teletype, penmanship, bookkeeping, accounting, office machines, business

arithmetic, English, business letter writing, salesmanship, personality development, leadership training, real estate, insurance, traffic management, business psychology, economics, business management, charm and modeling and air line training or any of these subjects and other related subjects of a similar character.

(2) "Board" means State Board of Business Schools.

(3) "Agent" means any person employed by a school as defined herein to act as agent, solicitor, broker or independent contractor to procure students for such school by solicitation of enrollment in any form made at any place other than the main office or principal place of business of the school.

(4) "Superintendent" means superintendent of public instruction.

(5) "Person," as that term is used to apply to the operator of an independent business school, means individual, partnership, association or corporation.

Section 2. This Act shall not apply to any school offering a four year college course recognized by the State Department of Education nor shall it apply to any religious and non-profit independent business school exempt from taxation under the laws of this State (or which is subject to the provisions of KRS 156.160).

Section 3. (1) No individual, partnership, association or corporation shall conduct, operate, maintain or establish an independent business school or use the term "independent business school", "business college", or any words which designate or tend to designate to the public that the operator of such institution is qualified to conduct, operate and maintain an independent business school unless he hold a valid current license from the Board.

(2) No person shall solicit in person or by the use of any means of communication or advertising, including, but not limited to, telephone, telegraph, newspapers, periodicals, handbill, circulars, mail, radio and television, any person or group of persons in this State to enroll at or attend any independent business school, unless such person holds a valid license as agent of the school for which he is soliciting.

Section 4. (1) There is hereby established a State Board of Business Schools which shall consist of the Superintendent of Public Instruction and six persons to be appointed by the governor. Four members of the Board shall be persons who, for at least five years next preceding the date of their appointment, shall have occupied executive or managerial positions with an independent business school in Kentucky. These four appointments shall be made from a list of three names for each position submitted by the Kentucky Association of Independent Business Colleges. Two members of the Board shall be persons occupied in commerce or industry in Kentucky.

(2) The terms of office of the four members of the Board first appointed from executive or managerial personnel of independent business schools shall be for one, two, three and four years respectively and the terms of office of the two members of the Board first appointed from commerce or industry shall be for three and four years respectively. Upon expiration of each of the respective terms of the members first appointed, the term of each successor shall be four years or until his successor shall be appointed and qualified.

(3) The Superintendent of Public Instruction shall serve as President of the Board ex officio and the members of the Board shall elect one of their number as Secretary. The Board is authorized to fix the compensation of the Secretary and to employ and fix the compensation of all personnel required by it for the administration of the provisions of this Act. The Board shall have the power to make all rules and regulations not inconsistent with the provisions of this Act as may be necessary to implement and carry out the provisions and purposes of this Act.

(4) The Board shall hold meetings at least twice a year and as frequently as it deems necessary at such times and places as the Board may designate and the majority of the members shall constitute a quorum.

(5) The Board may sue and be sued in its own name.

(6) The members of the Board, except the Secretary, shall receive no compensation for their services but may be paid their travel and other expenses while employed upon the business of the Board.

Section 5. (1) The State Board of Business Schools shall administer the provisions of law pertaining to the conduct, operation, maintaining or establishment of independent business schools, and the activities of agents thereof when acting as such.

(2) The Board may adopt rules and regulations to implement and carry out these provisions.

Section 6. (1) Any person seeking a license to conduct, operate, maintain or establish an independent business school shall make verified application to the Board on forms prepared and furnished by the Board setting forth the following information:

(a) The title or name of the school, together with the names of the owner or owners, and if the owner be a corporation the names and addresses of the officers thereof;

(b) The specific courses and fields of instruction which will be offered;

(c) The place or places where such instruction will be given and a description of the physical and sanitary facilities thereof;

(d) A specific listing of the equipment available for instruction in each course;

(e) The education and teaching qualifications of the instructors and supervisors.

(2) Each initial application for a license shall be accompanied by a filing fee of $50.00, no part of which shall be refunded if a license is denied or if the application is withdrawn.

(3) Upon receipt of an application for a license accompanied by the fee, the Board, or any of the members thereof, shall conduct such independent investigation as it or they deem reasonable and necessary and upon completion of such investigation to the satisfaction of the members of the Board, the license shall be granted or denied as the Board in its discretion determines.

(4) Any person seeking a license to act as agent for an independent business school shall make verified application to the Board on forms prepared and furnished by the Board setting forth the following information:

(a) The name and permanent address of the applicant, together with his date of birth and the name of the school for which an agent's license is sought:

(b) A verified statement setting out evidence of the honesty, truthfulness and integrity of the applicant;

(c) The verified recommendation of two reputable persons certifying that the applicant is truthful, honest and of good repute and that a license as agent should be granted him.

(5) Each initial application for an agent's license shall be accompanied by a filing fee of $25.00, no part of which shall be refunded if a license is denied or if the application is withdrawn.

(6) Upon receipt of an application for an agent's license and payment of the fee prescribed, the Board, or any of the members thereof, may conduct such independent investigation as it or they deem reasonable and necessary, and upon completion of such investigation, if any be made, the license shall be granted or denied as the Board in its discretion determines.

(7) Every agent shall obtain a separate license for each school which he represents as agent, provided, however, the filing fee for each license applied for after the first shall be $10.00.

(8) Nothing in this section of this Act shall be construed to require a bona fide employe or officer of a licensed independent business school to hold an agent's license if such bona fide employe or officer accepts applications and enrollments at the main office or principal place of business of the independent business school.

Section 7. The Board shall maintain a listing of the name and address of every person licensed under this Act and shall publish such listing at least once a year by mailing such listing to each independent business college licensed hereunder. Changes in the listing may be published in the same manner at such times as the Board in its discretion may determine.

Section 8. (1) Every license issued for the operation of an independent business school shall expire on September 30th following the date of issuance unless sooner revoked and cancelled.

(2) Between August 15 and September 1 of each year the Board shall send notices to all licensed independent business schools in this State advising them that the annual license renewal fee is due on October 1 of each year. Every licensed independent business school shall renew its license between September 1 and October 1 of each year by the payment to the Board of an annual license renewal fee of $25.00. If such renewal fee is not paid on or before October 1 the Board shall notify the delinquent licensee by certified mail that such fee is due and unpaid and that a delinquent penalty of $50.00 is assessed in addition to the renewal fee of $25.00 and must be paid on or before January 1. If such fees and penalties are not paid by January 1 it shall be the duty of the Board to suspend or revoke said license for non-payment of annual renewal and delinquent fees for the current year.

(3) Every license issued to an agent shall expire on September 30th following the date of issuance unless sooner revoked or cancelled.

(4) Between August 15 and September 1 of each year the Board shall send notices to all licensed agents advising them that the annual license renewal fee is due on October 1 of each year. Every licensed agent shall renew his license between September 1 and October 1 of each year by the payment to the Board of an annual license renewal fee of $5.00 for each license held. If such renewal fee or fees are not paid on or before October 1, the Board shall notify the delinquent licensee by registered mail that such fee or fees are due and unpaid and that a delinquent penalty of $10.00 for each license held is assessed in addition to the renewal fee of $5.00 and must be paid on or before January 1. If such fees and penalties are not paid by January 1, it shall be the duty of the Board to revoke said license or licenses for nonpayment of annual renewal and delinquent fees for the current year.

(5) All fees collected under the provisions of this Act or the rules and regulations adopted pursuant thereto shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the cost and expenses of the administration of this Act, including, but not limited to, salaries and necessary expenses. No part of this fund shall revert to the general funds of the Commonwealth.

Section 9. (1) The Board may refuse to license or renew the license or may suspend or revoke the license of any independent business school on proof that the individual holder thereof has been convicted of a felony, or has been guilty of moral turpitude or conduct likely to deceive or defraud the public, or that the holder thereof:

(a) has employed, hired, procured or induced an unlicensed person to act as agent for said independent business school;

(b) has been granted a license upon mistake of a material fact;

(c) has furnished false, misleading or incomplete information to the Board;

(d) has presented information to prospective students relating to the school or to employment opportunities after entering into or completing courses offered by the school which is false, misleading or fraudulent;

(e) has failed to provide and maintain premises or equipment in a safe and sanitary condition to such an extent that such failure constitutes a violation of law;

(f) has failed to maintain financial resources adequate for the satisfactory conduct of the courses of instruction offered;

(g) has failed to retain a sufficient and qualified staff of instructors and administrative personnel;

(h) has conducted instruction in a course or field not approved by the Board for that particular school.

(2) The Board may refuse to license or renew the license or may suspend or revoke the license of any agent on proof that the individual holder thereof:

(a) has been convicted of a felony, or has been guilty of moral turpitude or conduct likely to deceive or defraud the public;

(b) has employed, hired, procured, or induced an unlicensed person to act as agent for said independent business school;

(c) has been granted a license upon mistake of a material fact;

(d) has furnished false, misleading or incomplete information to the Board;

(e) has presented information to prospective students relating to the school or to employment opportunities after entering into or completing courses offered by the school which is false, misleading or fraudulent.

Section 10. (1) The Board may suspend or revoke a license or may refuse to renew a license only after a hearing of which the holder of the license has been given adequate notice, by mailing a copy of the notice registered mail at least 20 days prior to the hearing. At the hearing, the Board and the holder of the license shall have the benefit of counsel.

(2) The Board may administer oaths, take the depositions of witnesses as in civil cases and compel them to attend before it in person as in civil cases by subpoena issued in the name of the Commonwealth and over the signature of the President of the Board.

(3) Proceedings for the suspension or revocation of a license may be instituted by any individual or organization filing a verified complaint with the Secretary of the Board or such proceedings may be instituted by the Board acting upon its own initiative or by the President or Secretary of the Board acting on behalf of the Board.

(4) The Board may institute in its own name proceedings to

restrain and enjoin temporarily or permanently violations of this Act regardless of whether the defendant has been convicted for violations of the penal provisions thereof, and the Board shall not be required to pay any costs or filing fee or furnish any bond in connection therewith.

(5) Hearings held by the Board under subsection (1) of this section shall be held in the county where the holder of the license lives or operates an independent business school.

Section 11. (1) County and Commonwealth's Attorneys and the Attorney General within their respective jurisdictions shall prosecute all violations of the penal provisions of this Act and shall, when requested by the Board, represent the Board in matters relating to the enforcement of this Act.

(2) A licensee whose license has been revoked or suspended by the Board or who has been refused a renewal license may, within 30 days of the entry of the order, appeal to the circuit court of the county in which the hearing was held. The person taking the appeal shall serve upon the Board, by mailing registered mail, a written notice of appeal and shall file with the Board an appeal bond with good and sufficient surety to be approved by the Secretary of the Board conditioned for the speedy prosecution of the appeal and the payment of any costs charged against him upon the appeal. The Board, within ten days after the service of notice of appeal and the filing and approval of the bond, shall transmit to the clerk of the court a certified copy under the seal of the Board of the evidence upon which the ruling of the Board was based. The clerk shall then docket the case and it shall be tried in all respects like an ordinary civil action. Either party may appeal from the judgment of the circuit court to the Court of Appeals as in a civil action. The order appealed from shall be stayed from the date of the approval of the bond until the final determination of the appeal.

Section 12. (1) Any person who violates the provisions of subsection (1) of Section 3 of this Act shall be fined not less than $100.00 nor more than $5,000.00 and each day the violation continues shall constitute a separate offense.

(2) Each first violation of subsection (2) of Section (3) of this Act shall be punishable by fine of not less than $50.00 nor more than $1,000.00 or by imprisonment for not less than one month nor more than twelve months, or both fine and imprisonment. Each subsequent violation of subsection (2) of Section 3 shall be punishable by a fine of not less than $100.00 nor more than $5,000.00 and imprisonment for not less than three months nor more than twelve months, or both fine and imprisonment.

SB 102, AN ACT relating to education, providing for a two year state college in Hardin County.

WHEREAS, there is a serious need for the creation of a state college in Hardin County, for the purpose of alleviating the serious shortage of trained teachers within the Commonwealth, and to more fully carry into effect the provisions of Section 183 of the Constitution of Kentucky, by affording to the teachers and students of central Kentucky such training in the common school system, in the science and art of teaching, and in other areas as may be deemed necessary and advisable, as will enable them to improve and render more efficient the administration of the common school system and raise the standards of instruction therein throughout the Commonwealth;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There shall be established and maintained a state college in the City of Elizabethtown, Kentucky, or the environs thereof, to be known as the "Elizabethtown State College". The "Elizabethtown State College" shall be a two year state college but otherwise maintained and operated in the same manner as the other state colleges presently existing within the Commonwealth.

Section 2. (1) The first Board of Regents shall consist of the Superintendent of Public Instruction, who shall be Chairman of the Board, and six members appointed by the Governor. Such appointments shall be made following the effective date of this act.

(2) Two members of the first Board of Regents shall be of opposite political parties and appointed for a term to expire on the first day of April, 1961; one member shall be appointed for a term to expire April 1st, 1962; two members of opposite political parties shall be appointed for a term to expire the first day of April, 1963. One member shall be appointed for a term to expire April 1st, 1964.

(3) The requirements of KRS 164.320 (4), (5), (6), (7) and (8), relating to membership, appointment, term, vacancies and oath shall apply to the first Board of Regents and to successor members thereon.

SB 110 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Recess

Senator Ware moved that the Senate do now recess for ten minutes. Agreed. At the appointed hour, the President called the Senate to order.

Senator Ware moved that when the Senate adjourn, it adjourn to meet at nine a.m., on February 11. Agreed.

Reference of Bills

The President announced reference of the following bill:

Ky. Statutes #1: **HB 85.**

Senator Ware moved that the Senate do now adjourn until nine a.m., February 11. Agreed.

THURSDAY, FEBRUARY 11, 1960

THIRTY-FIRST LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators Bassett, Blake, Bonn, Johnson and Overbey, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 10 dispensed with and the same approved on motion of Senator McCann.

Introduction of Bills

SB 144, by Senator Kinkead: AN ACT relating to utilities.

SB 145, by Senators Raney, Martin and Conley: AN ACT relating to Workmen's Compensation.

SB 146, by Senator Kelly: AN ACT relating to terms of circuit courts.

SB 147, by Senator McCann: AN ACT relating to income tax, authorizing deductions for school expenses and rearranging the subsections of KRS 141.010.

Report of Committees

Committee on Public Health reported **SB 24** with the expression of opinion that same should pass, with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 24, AN ACT relating to poliomyelitis.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) No child shall be eligible to enroll as a student in any public or private school without furnishing a certificate from a reputable physician that he or she has been successfully inoculated with poliomyelitis vaccine.

(2) The Department of Health shall supply to each county health department a supply of poliomyelitis vaccine sufficient to innoculate each pre-school age child whose parents or legal custodian is financially unable to pay for having the child innoculated.

Amend **SB 24** by adding the following paragraph:

(3) This act shall not apply to scholars or pupils whose parent or guardian shall, in writing, object thereto on grounds that such requirements are not in accordance with the teachings of a recognized religious organization of which he or she is an adherent.

Committee on Revenue and Taxation reported **SB 25** with the expression of opinion that same should pass, with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 25, AN ACT relating to inheritance tax exemptions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 140.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be free from any tax under the preceding provisions of this chapter the following inheritable interests:

(a) Wife or infant child by blood or a child by blood who has been declared incompetent by a court of competent jurisdiction, $25,000;

(b) All other persons of Class A, under KRS 140.070, $7,500;

(c) All persons of Class B, under KRS 140.070, $1,500; and

(d) All persons of Class C, under KRS 140.070, $500.

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

(3) The exemption provided in this section shall be subtracted from the value of the respective distributive shares before the rates, provided in KRS 140.070, are applied thereto to determine the amount of tax due thereon.

Amend printed copy of **SB 25** on page 1, paragraph 1(a), line deleting present paragraph in its entirety and substituting the following:

(a) Wife or infant child by blood or adoption, or a child by blood or a child adopted during infancy who has been declared incompetent by a court or competent jurisdiction, $25,000;

Committee on Ky. Statutes #1 reported **HB 85** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 85, AN ACT relating to payment of a bonus to certain veterans and certain persons deriving from them, providing the method of financing thereof, appropriating funds for administration, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Legislative Intent. This Act is intended to implement Chapter 48, Acts of the Regular 1958 Session of the General Assembly, ratified by the electorate at the regular elections on November 3, 1959, by providing for payment of a cash bonus to qualified veterans, or to certain persons deriving from them, as quickly and as free from administrative delay and expense as may be consistent with provident stewardship of public monies of the Commonwealth.

Section 2. Bonus to be Paid. A bonus shall be paid from the proceeds of bonds of the Commonwealth, issued as hereinafter provided, in the amounts and to the persons determined in accordance with the provisions of this Act.

Section 3. Definitions. As used in this Act, the following terms have the following respective meanings, unless another meaning is clearly required by the context:

(a) "Administrator" means the Adjutant General of the Commonwealth.

(b) "veteran" means a person who served in the active armed forces of the United States, during the Spanish American War, World War I, World War II, or the Korean conflict, for a period of ninety (90) days or more (exclusive of time spent AWOL; or in penal confinement as a result of a sentence imposed by Courts Martial; or in service for which no allowance is made according to **Section 4** of this Act), with some portion of service within the respective hereinafter prescribed dates, who is still in the armed forces, or was released, separated, discharged or retired therefrom under honorable conditions.

(c) "duty in active armed forces" includes active duty, and any period of inactive duty training during which the individual concerned was disabled; and if a person in the active armed forces was released, separated or discharged therefrom by reason of disability incurred in line of duty before serving as much as ninety (90) days, such person shall be qualified for entitlement to a bonus payment under this Act, notwithstanding failure to remain in service for the minimum time otherwise prescribed.

(d) "armed forces" means the United States Army, Navy, Marine Corps, Air Force and Coast Guard, including the reserve components thereof on active duty.

(e) "qualified veteran" means a person answering to the specifications set forth in subsections (b) and (c), and who

(1) was a resident of the Commonwealth at the time of entry into active service in the armed forces and for at least six (6) months prior thereto, and

(2) if living, was a resident of the Commonwealth on November 3, 1959; or if deceased at that time, was survived by a beneficiary who was a resident of the Commonwealth on November 3, 1959, and

Provided further, that if the legal spouse of a qualified veteran was a legal resident of Kentucky on November 3, 1959, or if the qualified veteran was unmarried, his surviving mother or father were legal residents of Kentucky on November 3, 1959, such shall constitute a rebuttable presumption that the veteran lived in Kentucky on that date; and

(3) who has not received a bonus or like compensation from another state; and

(4) who is not subject to the forfeiture provisions of this Act.

(f) "resident of the Commonwealth at the time of entry into the active service" means any person who gave the Commonwealth of Kentucky, or any specific place in this Commonwealth, as his or her place of residence at such time of entry, without regard to the place of enlistment, commission, or induction. Conclusive and exclusive evidence of such giving of place of residence shall be the official records on file in the Department of Defense of the United States, or any official record thereof in the files of the Veteran's Administration of the United States; but if it be shown to the satisfaction of the Administrator that for any reason no such record was made, or that the same has been lost, misplaced or destroyed, or that an authenticated copy thereof canont be obtained within a reasonable time, other evidence of bona fide residence may be accepted if deemed sufficient by the Administrator.

(g) "resident", in any context other than as in subsection (f), means a legal resident as determined by generally established principles of law, as may be defined, and subject to proof, according to such regulations as the Administrator may promulgate; except that those applicants who reside in an incorporated town part of which lies in Kentucky will be presumed to have a legal residence in Kentucky.

(h) "beneficiary" means in this order, widow, child or children (sharing equally), mother, father, and no other.

(i) (1) "widow" means a woman who was the wife of a veteran at the time of his death, and who had not deserted him (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the wife), and who had not remarried, (unless the purported remarriage was void or had been annulled.)

(2) The term "widow" also includes "widower" in the case of a man who was the husband of a female veteran at the time of her death.

(j) "child" means a person

(1) who is under the age of 18; or

(2) who, before attaining the age of 18 years, became permanently incapable of self-support; or

(3) who, after attaining the age of 18 years and until completion of education or training (but not after attaining the age of 21 years) is pursuing a course of instruction at a bona fide educational institution; and who, in relationship to the veteran, is a legitimate child; a legally adopted child; a step-child who is a member of a veteran's household or was a member at the time of the veteran's death; or an illegitimate child, but, as to the alleged father, only if acknowledged in writing signed by him, or if he had, before his death, been judicially decreed to be the father of such child.

(k) "mother" means a mother, a mother through adoption, or a woman who for a period of not less than one year stood in the relationship of a mother to a qualified veteran before his or her entry into active service in the armed forces, or if two persons stood in such relationship for one year or more, the person who last stood in such relationship before the veteran's last entry into active service in the armed forces.

(1) "father" means a father, a father through adoption, or a man who for a period of not less than one year stood in the relationship of a father to a qualified veteran before his or her entry into active service in the armed forces, or if two persons stood in such relationship for one year or more, the person who last stood in such relationship before the veteran's last entry into active service in the armed forces.

(m) "in the Continental United States" means any place in the District of Columbia and the States of the United States which are on the North American Continent, exclusive of Alaska.

(n) "outside the Continental United States" means any place elsewhere than as defined in subsection (m).

(o) "Spanish American War"

(1) means the period beginning on April 21, 1898, and ending on July 4, 1902,

(2) includes the Philippine Insurrection and the Boxer Rebellion, and

(3) in the case of a veteran who served with the United States military forces engaged in hostilities in the Moro Province, means the period beginning on April 21, 1898, and ending on July 15, 1903.

(p) "World War I"

(1) means the period beginning on April 6, 1917, and ending on November 11, 1918, and

(2) in the case of a veteran who served with the United States military forces in Russia, means the period beginning on April 6, 1917, and ending on April 1, 1920, and

(3) any service between April 6, 1917 and July 1, 1921, if some

part thereof was between April 6, 1917 and November 11, 1918, both dates being inclusive.

(q) "World War II" means the period beginning December 7, 1941, and ending December 31, 1946.

(r) "Korean conflict" means

(1) the period beginning on June 27, 1950 and ending July 25, 1953, and

(2) subsequent service until January 31, 1955, if the veteran was qualified for the Korean Medal.

(s) "bonus" and "veterans bonus" mean the compensation authorized by this Act.

(t) "bonus claim" means a claim or potential claim for a veteran's bonus.

(u) "claimant" means one who seeks to obtain payment of a bonus claim.

Section 4. Service for Which No Allowance shall be Made.

No compensation shall be paid for time in service, of:

(a) Any civilian officer or employe of any branch of the armed forces, contract surgeon, cadet of the United States Military Academy, midshipman of the United States Naval Academy or of the Coast Guard, member of the Reserve Officers Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed to a training detachment of any of the foregoing), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Puerto Rico Regiment of Infantry, member of the National Guard of Hawaii, member of the insular forces of the Navy, member of the Samoan native guard, and band of the Navy, or Indian scout, in each case, for the period of service as such;

(b) Any member of the Public Health Service, for any period during which he or she was not detailed for active duty with the armed forces,

(c) Any person granted a farm or industrial furlough, for the period of such furlough.

(d) Any person detailed for work in the Spruce Production Division of the Air Service, for the period during which his pay was equalized to conform to the pay of civilian employes in the same or like employment.

Section 5. Computation of Veteran's Bonus.

(a) Every person determined by the Administrator to be a qualified veteran shall be paid the sum of nine dollars ($9.00) for each month and major fraction of a month of active duty, in the armed forces in the Continental United States, not to exceed in all the sum of three hundred dollars ($300.00); and the sum of fifteen dollars ($15.00) for each month and major fraction of a month of such service outside the Continental United States, subject to an aggregate limit for all service in the sum of five hundred dollars ($500.00). A veteran who served in one or more of the conflict periods defined in Section 3, subsections (o), (p), (q), and (r) of this Act, shall be limited to a maximum payment of three hundred dollars ($300.00) if no part of his total service during the periods specified was served outside the Continental United States, or five hundred dollars ($500.00) if a part of his total service during the periods specified was served outside the Continental United States.

(b) If a person determined to have been a qualified veteran shall be deceased at the time payment of the veterans bonus would otherwise be made to him, the amount of his bonus shall be paid to the first surviving beneficiary, if any, according to the order of priority defined in Section 3 (h) and if there be no surviving beneficiary, the bonus of such veteran shall lapse, and no payment thereof shall be made.

(c) A beneficiary (as defined in Section 3, subsections (h), (i), (j), (k), and (l) of this Act) of a person killed in the line of duty while on active duty in the armed forces during the periods defined in Section 3, subsections (o), (p), (q), and (r) of this Act or person who died of service-connected injury sustained while on active duty in the armed forces during the conflict periods defined above shall be paid three hundred dollars ($300.00) if no part of his total service during these periods was served outside the Continental United States or five hundred dollars ($500.00) if any part of his total service during these periods was served outside the Continental United States. The provisions of Section 5 (a) of this Act and the minimum period of service for entitlement to a bonus as established by Section 3 (b) of this Act shall not apply to these beneficiaries. However, this exception does not waive the respective maximums of three hundred dollars ($300.00) or five hundred dollars ($500.00) for each veteran, person killed in the line of duty while on active duty in the armed forces, or person who died as a result of service-connected injury sustained while on active duty in the armed forces.

Section 6. Applications. All applications for the veterans bonus shall be submitted to the Administrator, in writing, upon forms prepared and made available by the Administrator; and shall be accompanied by such documentary evidence as the Administrator may by regulation prescribe. Every application shall be verified under oath, and shall contain representations of the claimant (or, if he shall have been adjudged incompetent, or be an infant, of his committee or guardian), that:

(a) the facts therein stated are true to the best of his or her knowledge and belief;

(b) All documents submitted in support of the application are believed by the claimant to be genuine originals, or copies, as the case may be; and the claimant has no knowledge that any fact appearing therein is false, or no longer true, or that the document has been superseded or cancelled.

(c) the claimant has not received a veterans bonus or like compensation from any other state;

(d) that the claimant has neither paid nor agreed to pay, directly or indirectly, any compensation for assistance received in preparing or tendering the application; and has not solicited, received, or agreed to receive, directly or indirectly, any compensations for rendering assistance to any other claimant; and

(e) the claimant has knowledge of the penal and forfeiture provisions of this Act.

Section 7. Time of Filing Applications: Limitation of Time: Return of Late Applications.

(a) No application shall be filed with or sent to the Administrator before the 1st day of June, 1960.

(b) No application may be filed with or sent to the Administrator after the thirty-first day of December, 1961; but if an application be sent by mail, the Administrator shall receive it if the post-mark on the envelope shows date and time of mailing at or before midnight, Central Standard Time, on or before the thirty-first day of December, 1961.

(c) Applications tendered to the Administrator otherwise than as provided in (a) and (b) above shall not be eligible for consideration under this Act and shall not be accepted. Each such application received by mail shall be returned to the sender, if a return address be given, together with notification of the reason for its return.

Section 8. Bonus Claims to be Supported by Documentary Evidence and Affidavits; No Entitlement to Hearing; Administrator may Order Investigation or Hearings.

(a) All facts material to determining whether the claimant is entitled to receive a veterans bonus shall be evidenced

(1) in any case where the same are shown in the official records of the Department of Defense, Veterans Administration, or any other department, bureau, or agency of the United States, by an authenticated copy of the record, or a certificate made by an authorized person in the department, bureau or agency concerned, or by a written communication signed by such authorized person;

(2) in any case where the same are shown in any public record of the Commonwealth or of any public body in the Commonwealth, by a copy of such record, or the material part thereof, attested by the Clerk or comparable officer;

(3) in any case where the same are shown in an instrument of

writing, by tendering the instrument, or a photostat copy, or a copy authenticated in a manner acceptable to the Administrator;

(4) otherwise by affidavit.

(b) No claimant shall be entitled to an oral hearing as a matter of right; but the Administrator may in his discretion order a hearing in any case presenting unusual circumstances, or where it appears that documentary evidence of any material fact cannot reasonably be obtained, or where the claim cannot otherwise adequately be determined. The Administrator may investigate any matter which in his judgment is not adequately proven, or which shows or raises an inference of fraud; and may require submission of supplementary proof.

Section 9. Hearing to be before single person, designated by Administrator; Procedure. A hearing ordered by the Administrator shall be conducted by a single person designated by the Administrator. Formalities of judicial procedure and proof may be waived. No stenographic transcript of the proceedings shall be made except when specifically authorized by the Administrator; and in the absence of such authorization the hearing officer shall submit to the Administrator his written summary of the proceedings. There shall be no right to written or oral argument; but the Administrator may, in his discretion, authorize either.

Section 10. Burden of Proof. The burden of proving to the satisfaction of the Administrator that a veterans bonus is entitled to be paid shall in all cases be upon the claimant.

Section 11. Prompt determination to be made. The Administrator shall make prompt determination that each application is approved or disapproved for payment of a veterans bonus; and if approved, shall determine the amount to be paid according to the provisions of this Act.

Section 12. Notice of disapproval of claim to be sent to claimant; Review procedure.

(a) If a claim is disapproved, the Administrator shall send a notice of such decision to the claimant by mail at the address shown in the application. The notice shall be in such form as the Administrator may determine, shall contain a designation of the reason for disapproval, shall inform the claimant of his or her right to seek review, shall have attached such form of request for review as the Administrator may prescribe, and shall give information as to procedure for review.

(b) Application for review of the Administrator's disapproval shall be made only on the forms prescribed and furnished by the Administrator; and shall be received in the office of the Administrator by the closing hour in the thirtieth (30th) day after the day upon which the notice of the disapproval is mailed by the Administrator, or be forever barred.

(c) Upon receiving an application for review, the Administrator shall transmit the same, together with the original application and all papers in the case, to the Board of Review hereinafter created.

(d) The Board of Review shall promptly consider the same evidence which was available to the Administrator, and shall promptly enter in the case file its decision either finally affirming the Administrator's decision, or finally determining the claim and the amount thereof.

(e) The Board of Review shall send a notice of its decision to the claimant by registered mail, and shall return the case file to the Administrator. The decision of the Board of Review shall be a final determination of the claim shown in the application. There shall be no right of recourse on the part of the claimant or the Administrator in any court.

Section 13. Effect of final disapproval; Procedure. If the Administrator shall disapprove any claim, or if the decision of the Board of Review be affirmance of the Administrator's disapproval of the claim,

(1) no payment of a veterans bonus shall be made,

(2) the Administrator, upon receiving advice of the decision, shall note the same in a permanent book or record in his office; shall forthwith return to the claimant the copies of any official records submitted in support of the application; shall finally close the claim file; and may destroy all other papers except the application,

(3) no person having knowledge of the final disapproval of the claim thereafter shall file an application for payment of the same claim, or take action seeking in any manner to obtain payment of a veterans bonus thereon; and the filing of any such application, or the taking of any such action, shall constitute an offense under Section 18 of this Act.

Section 14. Claim to be paid if finally approved; Procedure.

(a) If a claim is approved by the Administrator or finally approved upon resort to the Board of Review, in whole or in part the Administrator shall promptly certify to the Commissioner of Finance the names and address of persons found entitled to be paid, as shown in the application, and the amount payable to each.

A copy of each such certificate shall be sent to the Commissioner of Revenue, who shall promptly ascertain from the records of his Department whether any person proposed to be paid a veterans bonus is delinquent in the payment of any tax liability to the Commonwealth. No delinquency shall be deemed to exist as to any asserted tax liability which is the subject of a bona fide dispute. If any delinquency be found to exist, the Commissioner of Revenue shall within three working days after this receipt of the certificate, furnish the details thereof to the Commissioner of Finance; and if no advice of tax delinquency is received by the Commissioner of Finance before the end of the fourth working day after his receipt of certification from the Administrator, he shall, for the purposes of this Act, conclusively presume that no delinquency of tax liability to the Commonwealth exists; but such presumption shall apply only to the existence or absence of a set-off by the Commonwealth against a certified claim for a veterans bonus, and shall not alter the facts as between the Commonwealth and any tax-payer.

If no advice of tax delinquency is received within such allowed time, the Commissioner of Finance may approve payment in accordance with the certificate of the Administrator, and may immediately draw a warrant on the State Treasury for a check in payment.

Upon receipt of such warrant the State Treasurer shall issue a check in accordance therewith payable from the proceeds of bonds in accordance with this Act, and the same shall promptly be mailed to the payee thereof at the address shown in the certificate.

(b) If the Commissioner of Finance shall, within the allowed time, receive advice from the Commissioner of Revenue of the existence of a delinquency on the part of any person having an approved claim for a veterans bonus, as to any tax liability to the Commonwealth, the Commissioner of Finance shall note the same on the certificate of the Administrator, withhold payment, and forthwith send to the claimant by registered mail a notice of the asserted delinquency, and the amount thereof, and that it is proposed that the same be set off against the veterans bonus payment.

If the Commissioner of Finance receives no protest in his office within ten working days after recording such notice, he shall conclusively presume that the proposed set off is just, shall apply the amount thereof in reduction or extinguishment of the payment certified by the Administrator, and shall advise the Commissioner of Revenue of the amount set off against the veterans bonus, which advice shall be noted by the Commissioner of Revenue on the records of his office as a credit upon the delinquent tax liability.

If the tax set-off does not consume the entire amount of the veterans bonus as certified by the Administrator, the Commissioner shall draw a warrant upon the State Treasury for a check in the amount of the remainder, and upon receiving such check from the State Treasurer shall send the same, together with advice of the set-off, by mail, to the payee at the address shown in the certificate of the Administrator.

(c) If the Commission of Finance receives from the claimant, a protest of the asserted tax delinquency, within the allowed time, the Commissioner shall withhold approval for payment, and shall refer the protest to the Commissioner of Revenue for disposition.

(d) If a tax set-off is made, and the claimant shall assert error with regard thereto, the exclusive remedy shall be by seeking refund from the Commissioner of Revenue.

Section 15. Board of Review: Appointment: Only three members to act in any matter; Compensation.

(a) There shall be a Board of Review consisting of nine (9) persons who are residents and qualified voters of the Commonwealth, appointed by the Governor without limitation as to political affiliation, religion, race, sex, or past or present service in the armed forces, except that six (6) members of this Board shall be veterans. The name of said Board shall be "The Kentucky Veterans Bonus Board of Review." The Governor shall designate a chairman and a secretary from among the membership.

(b) Three members and no more shall constitute a Board of Review, and shall by concurrence of two members decide any claim which comes before the Board in the manner provided in this Act. The Chairman of the Board shall designate three members to consider and decide each claim, having due regard for availability for service so that delay may be avoided.

(c) The chairman and secretary shall devote their full time to the affairs of the Board and shall receive compensation at the rate to be fixed in accordance with personnel standards fixed by the Commissioner of Personnel until the functions of the Board are performed and the Board is dissolved as hereinafter provided.

Other members of the Board shall be compensated $25.00 per diem, but only for actual time served in considering and deciding claims for veterans bonus pursuant to designation by the chairman.

All members of the Board shall be reimbursed for necessary travel to and from their places of residence, and in performance of duties pursuant to assignment, at the rate of eight cents per mile.

(d) Each claim coming before the Board shall promptly be considered and decided by the three members designated for that purpose. In every case the Board shall either (a) affirm the decision of the Administrator, or (b) determine that a veterans bonus should be paid, and to what persons and in what amounts. No written opinions or recitations of reasons for any decision need be made. A statement of the decision made shall be signed by at least two of the three members designated to decide the claim; and upon concurrence of two members a decision shall be final and not subject to reconsideration.

(e) When, after January 1, 1962, the Board of Review shall have decided all cases coming before it for decision, the chairman shall report such fact to the Governor in writing. The Governor shall thereupon declare that the Board of Review is dissolved, and shall so notify the members, and the functions and duties of the Board shall be deemed to have been fully performed.

Section 16. Claims and payments non-assignable; Exempt from taxation; Exempt from claims of creditors and process of Courts until received from the Commonwealth. Claims for payment of veterans bonus shall not be assignable before or after approval thereof; and any attempted or purported assignment received by or tendered to any officer of the Commonwealth shall be void, need not be acknowledged or returned, and may be disregarded.

Payments of the veteran's bonus shall be exempt from all taxation by the Commonwealth, its political subdivisions and taxing districts.

No claim for payment of a veteran's bonus and no payment made by the Commonwealth under this Act shall give rise to a cause of action against the Commonwealth or any of its officers, agents, or employees, and no claim for payment shall be subject to attachment, levy, garnishment or seizure by or under any legal or equitable process whatever; but this provision shall not extend exemption from legal process to the proceeds of any veteran's bonus payment after the same has been received from the Commonwealth.

The Commonwealth does not consent to be sued in any Court with regard to any matter connected with or arising out of claims for payment of the veterans bonus herein authorized.

Section 17. Charging fees for assistance a misdemeanor; Penalty.

Any person who charges or collects or attempts to charge or collect either directly or indirectly, any fee or other compensation for assisting in any manner a person seeking to obtain payment of a veteran's bonus, shall be guilty of a misdemeanor and upon conviction thereof, shall be subject to a fine of not more than $500.00 or imprisonment for a term of not more than six (6) months, or both; but this provision is not intended to prohibit:

(a) collection by public officers of statutory fees for providing authenticated copies of public records, or

(b) collection by Notary's Public of not exceeding fifty cents (50c) for administering an oath and giving a certificate thereof, or

(c) the giving of assistance or advice to claimants by any bona fide veteran's organization, civic organization, institution, public or private body, or person, through one or more persons compensated from the funds of such organization, institution, or public or private body or person, if no fee or charge therefore is collected from the asserted claimant.

Section 18. False or Fraudulent claims; Penalty. Whoever makes any false or fraudulent statement of a material fact in any application, affidavit, certificate or document submitted or tendered for the purpose of obtaining payment of a veteran's bonus under this Act, shall be guilty of a felony and, upon conviction thereof, shall be fined not more than $1000.00 or imprisoned for a term not more than two (2) years, or both.

Section 19. Conspiracy; Penalty. Any persons conspiring to obtain payment of a fraudulent claim for a veterans bonus, or conspiring to defraud one who receives payment or has a bona fide claim for payment of a veterans bonus, shall be guilty of a felony, and upon conviction thereof, shall be fined not more than $1000.00, or imprisoned for not more than two (2) years, or both.

Section 20. Forfeiture of rights to veterans bonus for violation of Sections 17, 18 and 19.

Any person convicted of any offense denounced in Sections 17, 18 and 19 of this Act shall forfeit his or her right, if any, to receive any payment authorized by this Act.

Section 21. Administrator and Commissioner of Finance to Notify State Property and Buildings Commission of sums required for payment of veterans bonus.

The Administrator and the Commissioner of Finance shall, from time to time, prepare estimates of the sums anticipated to be required for payment of the veterans bonus and the times when the same shall be required to be available. Advice of such estimates shall be given by them to the State Property and Buildings Commission with direction that bonds of the Commonwealth be issued and sold in such manner as to provide the required sums at the proper times.

Section 22. State Property and Buildings Commission to authorize and sell bonds: same to constitute general obligations of the Commonwealth: pledge of requisite portions of proceeds of retail sales tax.

For the purpose of providing funds for payment of the veterans bonus authorized by this Act, the State Property and Buildings Commission shall from time to time as funds are anticipated to be required, provide by Resolution for the issuance and sale of general obligation bonds of the Commonwealth, for payment of which, both principal and interest when due, the full faith, credit, resources and unlimited taxing power of the Commonwealth shall irrevocably be pledged, together with, additionally, a specific pledge of and first charge upon the proceeds of the retail sales tax required to be levied by the provisions of Chapter 48, Acts of 1958, referred to in **Section 1** of this Act.

Section 23. Date and maturities of bonds: other details to be determined from time to time by the State Property and Buildings Commission.

All bonds issued hereunder shall be dated July 1, 1960, and shall mature on or prior to thirty years from such date as the State Property and Buildings Commission may provide in each Resolution authorizing the issuance and sale of such bonds. The State Property and Buildings Commission shall in each such Resolution determine other details, including whether the bonds shall be of term or serial maturities, and the amount which shall mature on any serial maturity date; denominations; whether the bonds, or any of them, shall be subject to redemption prior to stated maturities and upon what terms; place or places of payment of principal and interest, which may be within the Commonwealth or outside thereof whether the bonds shall have semi-annual interest coupons annexed; be registered or registerable as to principal or interest, or both; and any other details not contrary to law or inconsistent with this Act which in the discretion of the said Commission may appear wise and expedient. The Commission shall fix and establish the interest rate or rates for each issue of bonds, and interest shall be payable semiannually. Each sale shall be publicly advertised at least 10 days in advance of the date established for the opening of purchase bids by at least one publication in a financial newspaper or journal published in the city and state of New York and at least one publication in a daily newspaper of bona fide general circulation throughout the Commonwealth.

Section 24. Bonds exempt from taxation; designation of signing officers; temporary bonds; no other approvals required. The bonds and receipt of interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions. The bonds shall be signed in the name of the Commonwealth by the facsimile signatures of the Governor and Treasurer of the Commonwealth, and the Great Seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the validating manual signature of the Secretary of State and the facsimile signature of the Treasurer shall be printed upon the interest coupons, if any. In case any officer whose signature or a facsimile shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or facsimile signature shall, nevertheless, be valid and sufficient for all purposes, the same as if he had remained in office until delivery. All bonds issued under this Act shall have and are hereby declared to have all the incidents of negotiable instruments. Prior to the preparation of definitive bonds, the State Property and Buildings Commission may issue interim receipts or temporary bonds, with or without interest coupons, exchangeable for definitive bonds when the same shall have been executed and are available for delivery; and provision may also be made for the replacement of any bonds which shall become mutilated or be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau, or agency of the Commonwealth and without any other proceedings or the happening of any conditions or things other than the proceedings, conditions, and things which are specifically required by this Act.

Section 25. Proceeds of bonds to be segregated in State Treasury for payment of veterans bonus, and of expenses incurred in issuance of bonds: disposition of ultimate surplus, if any.

The proceeds of all bonds issued and delivered under this Act shall be deposited from time to time in the State Treasury and shall be segregated in a special fund, hereby created, which shall be designated the "Veterans Bonus Fund." Monies in said fund from time to time shall be disbursed solely for payment of approved veterans bonus claims, and for the expenses incurred in issuing such bonds. Pending disbursement, the same may be invested and reinvested as the State Property and Buildings Commission may from time to time prescribe; and income from the investments shall be credited to such fund.

If there shall be an undisbursed balance in said fund after payment of all approved claims received by the Administrator within the time limits established in Section 7 of this Act, the same shall be transferred to the General Fund of the Commonwealth.

Section 26. Administrator authorized to make regulations.

This Act shall be given a liberal construction in the interpretation thereof. The Administrator shall have power to make rules and regulations for implementing this Act; and when promulgated according to KRS Chapter 12, the same shall have the force and effect of law.

Section 27. Appropriations.

There is hereby established a veterans bonus administration fund in the Department of Finance, and to this fund there is hereby appropriated from the General Expenditure Fund one million dollars ($1,000,000.00) for fiscal year 1959-60. The Commissioner of Finance shall have the responsibility for allotting the funds in this account to agencies responsible for the execution of this Act as the need for such funds is evidenced to him. Any unencumbered balance at the end of the fiscal year 1959-60 shall be carried forward into the fiscal year 1960-61, and any unencumbered balance at the end of the fiscal year 1960-61 shall be carried forward into the fiscal year 1961-62. Any unencumbered balance existing when the Board of Review is dissolved by the Governor shall revert to the General Expenditure Fund.

Section 28. Emergency.

It is found and declared that the public interest requires prompt payment of the veterans bonus; and to that end it is essential that the Administrator forthwith commence preparations for receiving and processing claims so that personnel may be trained, premises made ready, forms prepared and regulations promulgated. Accordingly an emergency is declared to exist and this Act shall be effective upon approval by the Governor.

House Message

Announcing the return of **HB 71** on the request of the Senate.

Calendar

SB 105, SB 89, SB 112, HB 67, SB 108, HB 54, SB 46, HB 38, HB 39, SR 23, SB 57, SB 102 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Senator D. W. Howard moved that the Rules be suspended for the purpose of making a motion. Agreed.

Senator D. W. Howard moved that the vote by which the clincher was applied to **HB 71** be reconsidered.

Senators D. W. Howard and Blue requested a roll call on Senator D. W. Howard's motion to reconsider **HB 71**, and it was so ordered.

On the roll, the vote was: Yeas 24—Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Derickson, Duncan, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Raney, Richmond, Ware. Nays 0. Motion to reconsider **HB 71**.

Senator D. W. Howard moved that the vote by which **HB 71** was passed be reconsidered. Agreed.

Senator D. W. Howard moved that **HB 71** be laid on the Clerk's desk. Agreed.

Orders of the Day

SB 110 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 106 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 106**. Agreed.

On the roll, the vote was: Yeas 29—Bishop, Blue, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 106** was passed and the title agreed to.

Senator Ware moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 12, SB 52, SB 53, SB 54** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 15 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 15.** Agreed.

On the roll call, the vote was: Yeas 27—Bishop, Blue, Conley, C. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 15** was passed and the title agreed to.

Senator Francis moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HB 35 taken from Orders of the Day and ordered read at length for the third time. Senator Young moved that it be read by title only. Agreed.

Senator Young moved the Previous Question on **HB 35.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware, White, Young. Nays 1—Miller. **HB 35** was passed and the title agreed to.

Senator Young moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

SB 92 taken from Orders of the Day and ordered read at length for the third time. Senator Hamilton moved that it be read by title only. Agreed.

Senator Hamilton moved the Previous Question on **SB 92.** Agreed.

On the roll call, the vote was: Yeas 30—Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 92** was passed and the title agreed to.

Senator Hamilton moved that the vote by which **SB 92** was passed be reconsidered and said motion be laid on the table. Agreed.

The President vacated the chair, Senator Kidwell, President Pro Tem presiding.

SB 45, SB 114 taken from Orders of the Day. Senator Conley moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 96 taken from Orders of the Day and ordered read at length for the third time. Senator Garnett moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 96.** Agreed.

On the roll call, the vote was: Yeas 28—Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 0. **SB 96** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 96** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 91 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved that Amendment #1 to **SB 91** be adopted. Agreed.

Amendment #1 to **SB 91** is as follows:

Amend printed copy of **SB 91** on page 2, section 4, line 21 by striking out the word "seven" and inserting in lieu thereof the word "nine."

Senator Miller moved the Previous Question on **SB 91** as amended. Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware, White, Young. Nays 0. **SB 91** was passed and the title agreed to.

Senator Duffy moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Duffy moved suspension of the Rules for the purpose of introducing bills. Agreed.

Introduction of Bills

SB 148, by Senator Duffy: AN ACT relating to metropolitan sewer districts and the construction of sewage and drainage facilities and appurtenances at the cost of benefited property, and for connections to existing sewers, and amending Chapter 76 Kentucky Revised Statutes.

SB 149, by Senator Duffy: AN ACT relating to finance and revenue of cities of the first class.

SB 150, by Senator Duffy: AN ACT relating to metropolitan sewer districts and the acquisition of lands or interest therein or personal property.

SB 151, by Senator Duffy: AN ACT relating to the licensing of motor trucks, motor vehicles and motor carriers by cities and amending Section 281.830 Kentucky Revised Statutes.

SB 152, by Senator Duffy: AN ACT relating to license and excise taxes and repealing KRS 247.165.

SB 153, by Senator Duffy: AN ACT amending Section 212.710, Kentucky Revised Statutes, relating to State aid for city-county health departments.

SB 154, by Senator White: AN ACT relating to the territorial jurisdiction of city planning commissions in cities of the third to sixth classes.

Senator Bishop moved that when the Senate adjourn, it adjourn in memory of Abraham Lincoln. Agreed.

Reference of Bills

The President Pro Tem announced reference of the following bills:

Appropriations: **SB 125, HB 97, HB 122.**

Courts and Legal Procedure: **SB 129, SB 131, SB 135, SB 142.**

Revenue and Taxation: **SB 130.**

Agriculture and State Fair: **SB 132.**

Ky. Statutes #1: **SB 133, SB 136, SB 137, SB 138, SB 139, SB 140, SB 143, HB 36, HB 166.**

Ky. Statutes #2: **SB 134.**

Municipalities: **SB 141, HB 48, HB 174.**

Fish and Game: **HB 17.**

Criminal Law: **HB 142.**

Ways and Means: **HB 173.**

Senator Ware moved that the Senate do now adjourn until seven p.m., February 15. Agreed.

MONDAY, FEBRUARY 15, 1960

THIRTY-THIRD LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John C. Chenault of the First Christian Church of Frankfort.

The roll was called. All present except Senators C. H. Davis and Mrs. J. H. Davis, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 11 dispensed with and the same approved on motion of Senator McCann.

House Message

Announcing passage of **HB 55, HB 104, HB 117, HB 152, HB 197, HB 56, HR 56, HR 58.**

Motions

Senator Martin moved that the President appoint a committee to take proper action regarding the death of the father-in-law of Senator Charles H. Davis. Agreed.

The President appointed Senators Martin, Hehl and Craft and named Senator Martin Chairman of the Committee.

Introduction of Bills

SB 155, by Senators Francis, D. W. Howard, Ware and Kidwell: AN ACT relating to business development corporations.

SB 156, by Senator McCann: AN ACT relating to compensation of election officers.

SB 157, by Senator Bonn: AN ACT relating to the taxation of liquid fuels used in motor boats.

SB 158, by Senator Ware: AN ACT relating to the Kentucky Disabled Ex-Service Men's Board.

SB 159, by Senator Ware: AN ACT relating to the Department of Insurance, amending KRS 304.484.

SB 160, by Senator Johnson: AN ACT relating to the rendering of emergency care.

SB 161, by Senator Blake: AN ACT relating to appeals to the Court of Appeals.

SB 162, by Senators Johnson, Hamilton, McCann, C. H. Davis, Jackson, Conley, Kelly, Richmond, Byers, Blake, Hehl, Kinkead, White, Craft, Duncan, Martin, C. S. Howard, Bishop, Raney, Bassett, Hubbard Miller, Hickerson, Bonn, Derickson, Overbey, Blue and Brand: AN ACT relating to housing finance.

SR 29 by Senator White: A JOINT RESOLUTION directing the Department of Conservation to establish Rocky Creek State Park.

SR 30, by Senator Blake: A CONCURRENT RESOLUTION memorializing Congress to increase tobacco allotments by five to ten percent.

Report of Committees

Committee on Ky. Statutes #1 reported **SB 136, HB 166, SB 137, SB 138, SB 139, SB 140** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 136, AN ACT relating to sewer construction district and an alternate method of financing same.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any sewer construction district created in the manner provided in KRS 76.300 to 76.325 may, if the commissioners of such district deem it advisable, use the authority and procedures granted to incorporated municipalities by KRS 107.010 to 107.220.

When applied to sewer construction districts, terms used in KRS 107.010 to 107.220 shall be construed to mean the following: "city" means "district"; "ordinance" means "resolution"; "clerk" means "secretary of district"; "governing body" means "district commissioners"; "mayor or chairman of board of directors" means "chairman of the district".

Section 2. The provisions of Section 1, of this Act shall not repeal or reduce any existing rights or duties of sewer construction districts or the commissioners thereof, but shall constitute an additional method of financing which may be used in conjunction with KRS 76.300 to 76.385, or may be an alternate method.

HB 166, AN ACT relating to electric utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any utility providing electric service in any area annexed, subsequent to the effective date of this Act, by any municipality shall have the dominant right to continue to provide electric service in said area to consumers then being served and to new consumers located nearer to its facilities than to the facilities of any other utility as all those facilities were located immediately prior to annexation.

SB 137, AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.052, 100.055 and 100.056.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.052 is amended to read as follows:

(1) After the original master plan, or part or parts thereof, as the case may be, has been adopted as provided in KRS 100.047 to 100.051, all adjustments therein or thereto shall become effective only by and through the approval of such proposed adjustments by the legislative body of such city or fiscal court of such county, or both, as the case may be, or by the commission if and when authorized to do so by said fiscal court or said legislative body, or both, as the case may be, and by recording same in the office of the clerk of the county court of such county. After any such proposed adjustment has been approved, the master plan, or part or parts thereof, as the case may be, shall be deemed to be and be the plan, or part or parts thereof, as the case may be, as so adjusted. Said master plan and said adjustments, when approved as provided in KRS 100.047 to 100.058, shall not be subject to attack in any court in such county inferior to the circuit court thereof.

(2) The commission may itself propose, or any person, firm, corporation, or any governmental agency, board or body, may propose adjustments in or to the master plan, or part or parts thereof, as the case may be, which proposals shall be approved or disapproved in the manner authorized by subsection (1) of this section.

Section 2. KRS 100.055 is amended to read as follows:

(1) If and when said fiscal court or said legislative body, or both, as the case may be, authorizes the commission to approve or disapprove proposed adjustments in or to the master plan, or part or parts thereof, as the case may be, the approval or disapproval by the commission shall be in the manner provided in KRS 100.056 to 100.058.

(2) In approving or disapproving any proposed adjustment in or to the master plan, or part or parts thereof, the commission shall be guided and governed by the purposes and provisions of KRS 100.031 to 100.097, and its action shall be particularly in accordance with the provisions and purposes set forth in KRS 100.044 to 100.051, to the end that said master plan, or part or parts thereof, as the case may be, as so adjusted shall accomplish a coordinated and harmonious development of the incorporated and unincorporated area of the entire county.

(3) If the proposed adjustment is finally approved by the commission, it shall be recorded as provided in KRS 100.052. If it is finally disapproved by the commission, the proposed adjustment shall not be recorded and shall have no force or effect.

Section 3. KRS 100.056 is amended to read as follows:

If the commission is authorized by said fiscal court or said legislative body, or both, as the case may be, to approve such proposed adjustment or adjustments:

(1) The commission, within ninety days after the hearing provided for in KRS 100.053, shall either approve or revise or disapprove such proposal or proposals.

(2) If the commission revises same, it shall hold a hearing on such proposal as revised, and give notice thereof, in the same manner as provided for the original hearing. And such procedure shall be continued until the commission has made no further revision thereof, subsequent to the last hearing thereon.

(3) When the commission has finally approved such proposed adjustment, as submitted or revised, or has disapproved such proposed adjustment, it shall immediately notify in writing all parties of record in such proceeding of its action or decision.

Section 4. Inasmuch as there is an immediate need for the amendments proposed herein, an emergency is hereby declared to exist and this Act shall be effective immediately upon its passage and approval by the Governor.

SB 138, AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.057.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.057 is amended to read as follows:

(1) Any person, firm, corporation, organization, public official or governmental agency or department, being a party of record at such hearing, claiming to be injuriously affected or aggrieved by any action or decision by the commission, may appeal from such action or decision to the circuit court of such county, and jurisdiction is hereby given to such circuit court to hear and determine all questions and issues properly brought before it on such appeal. An appeal shall stay all action by all parties of record in the matter appealed from. Such appeals shall be taken within thirty days after notice of such action or decision has been given, as herein provided, by filing in the office of the clerk of the circuit court of such county a statement of appeal, setting forth the action or decision of the commission appealed from, the date thereof, the reasons for said appeal, and attaching thereto as a part thereof a certified copy of such action or decision.

(2) After the appeal is taken the procedure shall be the same as in common law actions, and all parties to the proceeding shall have the right to any and all processes, including subpoena, allowed in other cases in said circuit court. Upon filing an appeal, notice thereof

must be immediately given to the commission and to all parties of record, by actual notice served or by service of summons. Hearings in the circuit court shall be the same as in equitable actions in the circuit court against said legislative body or said fiscal court testing the validity of an ordinance of said legislative body or an order of said fiscal court, and shall be heard by the judge. The action or decision of the commission shall carry the same presumption of validity as an action or decision of said legislative body or said fiscal court, and should reasonable minds differ as to whether the action or decision of the commission has a substantial relation to the public health, safety, morals or general welfare, the commission's action or decision must stand as a valid exercise of the police power. Appeals may be taken from the decision of said circuit court to the Court of Appeals of Kentucky in the same manner as common law cases are repealed.

Section 2. Inasmuch as there is an immediate need for the amendment proposed herein, an emergency is hereby declared to exist and this Act shall be effective immediately upon its passage and approval by the Governor.

SB 139, AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.068 to 100.069.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.068 is amended to read as follows:

Except as otherwise provided herein, the lawful use of land for trade, industry or residence, existing at the time of adoption of any zoning regulation or restriction, or at the time of the adjustment or revision thereof, or amendment thereto, although such use does not conform to the provisions of such new regulations or restrictions, may be continued. If such nonconforming use is discontinued for a period of one year, without the owner thereof making a reasonable effort to resume such nonconforming use or to lease such property for the same or a more restricted use, any future use of such land shall be in conformity with the provisions of such then existing zoning regulations or restrictions, and other restrictions running with or pertaining to such land, whether by deed, contract, or otherwise.

Section 2. KRS 100.069 is amended to read as follows:

Except as otherwise provided herein, the use of a building or structure existing at the time of the adoption of any zoning regulation or restriction, or at the time of any adjustment or revision thereof or amendment thereto, although such use does not conform to the provisions of such new regulations or restrictions, may be continued, if no structural alterations or additions are made thereto except those required by some law or ordinance other than zoning regulations or restrictions. If no structural alterations or additions are made, a nonconforming use of a building or structure may be changed to another nonconforming use of the same or more restricted classification. If such nonconforming building or structure is removed, or if such nonconforming use is discontinued for a period of one year, without the owner thereof making a reasonable effort to resume such nonconforming use or to lease such premises for the same or a more restricted use, every future use of such premises shall be in conformity with the then existing zoning regulations adopted in accordance with the provisions of KRS 100.031 to 100.097, and with all other restrictions running with or pertaining to such premises, whether by deed, contract, or otherwise. Nothing herein shall be deemed to prevent the restoration of a building or structure damaged or destroyed by fire, explosion or other casualty.

Section 3. Inasmuch as there is an immediate need for the amendments proposed herein, an emergency is hereby declared to exist and this Act shall be effective immediately upon its passage and approval by the Governor.

SB 140, AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.088.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.088 is amended to read as follows:

When the commission has been appointed and organized, pursuant to the provisions of KRS 100.031 to 100.097, no person shall subdivide land without the approval of the commission. Any and all subdivisions shall be submitted in the form of a plat to the commission for its approval or disapproval. Each subdivision plat shall contain the name and address of the person or persons making the subdivision and applying for approval thereof, and the names and addresses of all owners of property adjoining the property to be subdivided. Any agreement between the parties affected by such subdivision in the nature of a restriction or covenant affecting or applicable to the land in the area within or bordering upon such subdivision shall be filed with and referred to upon the plat. Within thirty days after any such application the commission shall hold a public hearing thereon, and shall, not less than five days before the date fixed for such hearing, send written notices thereof to all persons whose names and addresses are stated on said plat, unless the applicant for such approval and all such persons waive such notice. The commission shall have the power to fix, or to agree with the applicant and the adjoining and adjacent property owners upon, the use, height, area or bulk requirements or restrictions governing buildings and premises within the subdivision, provided such requirements or restrictions do not authorize the violation of any then existing zoning plan, regulation or restriction. Within thirty days after such hearing the commission shall approve or disapprove such plat, unless additional time is necessary to enable the commission to make a thorough investigation of the proposed plat. In which event the commission may extend such period, but such extension shall not exceed sixty days.

Section 2. Inasmuch as there is an immediate need for the amendment proposed herein, an emergency is hereby declared to exist and this Act shall be effective immediately upon its passage and approval by the Governor.

Committee on Motor Vehicles, Commerce and Common Carriers reported **SB 111** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 111, AN ACT relating to the operation of bicycles.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. Every person riding a bicycle shall keep as close to the left of the traveled roadway as is safe and practicable, so as to face the vehicular traffic at all times.

Section 2. Any person who violates this Act, and any parent who knowingly permits his minor child to violate this Act, shall be fined not less than two dollars nor more than ten dollars.

Section 3. As used in KRS 189.300 through 189.340, the term "vehicle" shall not include bicycles.

Committee on Municipalities reported **HB 119, HB 174** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 119, AN ACT relating to Pension Fund's Board of Trustees in cities of the third class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 95.530, paragraph 2, of the Kentucky Revised Statutes is amended to read as follows:

(2) In cities of the third class the board of trustees of the policemen's and firemen's pension fund shall be composed of the mayor, city treasurer, chief of the police department, chief of the fire department and one member each from the police and fire departments. The members from the police and fire departments shall be elected by the respective members of those departments annually by ballot, one from each department, and shall service for one year and until their respective successors are elected and qualified. The board shall select from their number a president and a secretary.

HB 174, AN ACT relating to officers and employes of cities of the third class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 85.330 of the Kentucky Revised Statutes is amended to read as follows:

(1) All officers, agents or employes appointed or employed by the common council may be removed by the common council at pleasure, except as otherwise provided by law.

(2) Except where otherwise provided by law, any city officer may, for incompetency, inefficiency, neglect of duty or misconduct in office, be impeached and removed from office by a three-fourths vote of the members of the common council, the yeas and nays being called and entered upon the journal. The common council shall, by ordinance, prescribe the method of procedure.

Section 2. Members of police and fire departments in cities of the third class may be removed only in accordance with the provisions of KRS 95.450.

Committee on Municipalities reported **SB 99** with the expression of opinion that same should pass, with the committee amendment attached thereto.

SB 99, AN ACT relating to auxiliary police forces in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The legislative body of a city of the second class may by ordinance provide for the establishment or abolishment of an auxiliary police force to perform special duties within the city on terms it deems proper. The ordinance shall prescribe the number of officers and men of such force and the manner of their appointment, and rules and regulations governing the powers and duties of members of such force.

Calendar

SB 24, SB 25, HB 85 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

The President vacated the Chair, Senator Kidwell, President Pro Tem presiding.

Orders of the Day

SB 110 taken from Orders of the Day and ordered read at length for the third time. Senator Miller moved that it be read by title only. Agreed.

Senator Miller moved that Amendment #1 to **SB 110** be adopted. Agreed.

Amend printed copy of Senate Bill No. 110 on page 4, after section 4, line 43. Insert a new Section to read as follows:

Section 3. Section 173.300 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 173.310 to 173.410, unless the context requires a different meaning:

(1) "Governmental unit" means any county or city; except a city of the first class.

(2) "Legislative body" means the governing body of a governmental unit; and

(3) "Library" means a free public library supported in whole or in part with money derived from taxation, and governed by a board as provided for in KRS 173.340, excluding a city of the first class.

Senator Miller moved the Previous Question on **SB 110**, as amended. Agreed.

On roll call, the vote was: Yeas, 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 110** was passed and the title agreed to.

SB 45 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 114 taken from Orders of the Day and ordered read at length for the third time. Senator Conley moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **SB 114**. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Martin, McCann, Miller, Overbey, Richmond, Ware, White, Young. Nays 1—Raney. **SB 114** was passed and the title agreed to.

Senator Conley moved that the vote by which **SB 114** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 105 taken from Orders of the Day and ordered read at length for the third time. Senator Kelly moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 105**. Agreed.

On roll call, the vote was: Yeas 35– Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 105** was passed and the title agreed to.

Senator Kelly moved that the vote by which **SB 105** was passed be reconsidered and said motion be laid on the table. Agreed.

The President resumed the Chair.

SB 89 taken from Orders of the Day and ordered read at length for the third time. Senator Johnson moved that it be read by title only. Agreed.

Senator Johnson moved the Previous Question on **SB 89**. Agreed.

On roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, White. Nays 1—Young. **SB 89** was passed and the title agreed to.

Senator Johnson moved that the vote by which **SB 89** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 112 taken from Orders of the Day and ordered read at length for the third time. Senator Craft moved that it be read by title only. Agreed.

Senator Craft moved the Previous Question on **SB 112**. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 112** was passed and the title agreed to.

Senator Craft moved that the vote by which **SB 112** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 35, HB 15, HB 12** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Committee Substitute for **HB 67** taken from Orders of the Day.

Senator Francis moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 108, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Raney moved that it be read by title only. Agreed.

Senator Raney moved that the Committee Amendment be adopted. Agreed.

Amend printed copy of Senate Bill #108 by deleting in the title thereof the word "occupations" and inserting in lieu thereof the word "non-residents"
and
on page 1, section 1, line 3, after (1) (a) by deleting the words, "any persons" and inserting in lieu thereof the words "any non-resident"
and on page 1, section 1, (c), line 10, by deleting the words "a person" and inserting in lieu thereof the words "a non-resident"
and on page 1, section 1, after (d) by deleting the words "a person" and inserting in lieu thereof the words "a non-resident"
and on page 2, section 1, line 16 after (2) by deleting the words "any persons" and inserting in lieu thereof the words "any non-resident"
and on page 2, section 2 (2), line 28 by deleting the words "any person" and inserting in lieu thereof the words "any non-resident"

Senator Raney moved the Previous Question on **SB 108,** as amended. Agreed.

On the roll call, the vote was: Yeas 27—Bishop, Blake, Brand, Conley, Craft, Derickson, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, Melton, Miller, Raney, Richmond, White, Young. Nays 3—Bassett, Duffy, Ware. **SB 108** was passed and the title agreed to.

Senator Raney moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HB 54 taken from Orders of the Day and ordered read at length for the third time. Senator Hehl moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **HB 54.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 54** was passed and the title agreed to.

Senator Hehl moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Young moved, seconded by Senator Raney that the vote by which **SB 108** was passed be reconsidered and said motion be laid on the table to the contrary notwithstanding. Agreed.

Senator Young moved, seconded by Senator Raney that the vote by which **SB 108** was passed be reconsidered. Agreed.

Senator Young moved, seconded by Senator McCann that **SB 108** be placed on the Clerk's desk. Agreed.

SB 46 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **SB 46.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D.W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 46** was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 46** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 38 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 38.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 38** was passed and the title agreed to.

Senator Francis moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

HB 39 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 39.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 39** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 39** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Conley moved that **SR 23** be adopted. Agreed.

SB 57 taken from Orders of the Day. Senator Richmond moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 102 taken from Orders of the Day. Senator C. S. Howard moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Senator Overbey moved suspension of the Rules for the purpose of making Committee Reports. Agreed.

Reports of Committees

Committee on Judiciary and Judicial Council reported **HB 84** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 84, AN ACT relating to circuit court districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby created the Forty-seventh Judicial District of Kentucky, which shall be composed of Letcher County.

Section 2. The present circuit judge and commonwealth's attorney in the Thirty-third Judicial District, as now constituted, shall retain the offices during the term of office for which they were elected or appointed.

Section 3. The offices of circuit judge and commonwealth's attorney for the new judicial district created by this Act, being the Forty-seventh Judicial District, are hereby established. The Governor shall appoint and commission a circuit judge and commonwealth's attorney for this district, each of whom shall hold his office until his successor is elected and qualified pursuant to the provisions of Section 152 of the Constitution of Kentucky.

Section 4. Section 23.040 of the Kentucky Revised Statutes is amended to read as follows:

The State is divided into forty-seven circuit court districts, each to be composed of the following counties:

(1) First District. Ballard, Carlisle, Fulton, Graves and Hickman.
(2) Second District. McCracken.
(3) Third District. Christian, Lyon and Trigg.
(4) Fourth District. Caldwell, Crittenden and Hopkins.

(5) Fifth District. Henderson, Union and Webster.
(6) Sixth District. Daviess.
(7) Seventh District. Logan, Simpson and Todd.
(8) Eighth District. Allen and Warren.
(9) Ninth District. Hardin.
(10) Tenth District. Bullitt, Hart, Larue and Nelson.
(11) Eleventh District. Green, Marion, Taylor and Washington.
(12) Twelfth District. Anderson, Henry, Oldham, Shelby, Spencer and Trimble.
(13) Thirteenth District. Boyle, Garrard, Lincoln and Mercer.
(14) Fourteenth District. Bourbon, Franklin, Scott and Woodford.
(15) Fifteenth District. Boone, Carroll, Gallatin, Grant and Owen.
(16) Sixteenth District. Kenton.
(17) Seventeenth District. Campbell.
(18) Eighteenth District. Harrison, Nicholas, Pendleton and Robertson.
(19) Nineteenth District. Bracken, Fleming and Mason.
(20) Twentieth District. Greenup and Lewis.
(21) Twenty-first District. Bath, Menifee, Montgomery and Rowan.
(22) Twenty-second District. Fayette.
(23) Twenty-third District. Estill, Lee and Owsley.
(24) Twenty-fourth District. Lawrence, Johnson and Martin.
(25) Twenty-fifth District. Clark, Jessamine and Madison.
(26) Twenty-sixth District. Harlan.
(27) Twenty-seventh District. Knox and Laurel.
(28) Twenty-eighth District. Pulaski and Rockcastle.
(29) Twenty-ninth District. Adair, Casey, Cumberland and Monroe.
(30) Thirtieth District. Jefferson.
(31) Thirty-first District. Floyd.
(32) Thirty-second District. Boyd.
(33) Thirty-third District. Perry.
(34) Thirty-fourth District. Whitley and McCreary.
(35) Thirty-fifth District. Pike.
(36) Thirty-sixth District. Magoffin and Knott.
(37) Thirty-seventh District. Carter, Elliott and Morgan.
(38) Thirty-eighth District. Butler, Edmonson, Ohio and Hancock.
(39) Thirty-ninth District. Breathitt, Wolfe and Powell.
(40) Fortieth District. Clinton, Russell and Wayne.
(41) Forty-first District. Clay, Jackson and Leslie.
(42) Forty-second District. Galloway, Livingston and Marshall.
(43) Forty-third District. Barren and Metcalfe.
(44) Forty-fourth District. Bell.
(45) Forty-fifth District. Muhlenberg and McLean.
(46) Forty-sixth District. Breckinridge, Grayson and Meade.
(47) Forty-seventh District. Letcher.

Section 5. Subsection (33) of Section 23.050 of the Kentucky Revised Statutes is amended to read as follows:

Thirty-third District. Perry County, at Hazard, on the third Monday in February, the third Monday in May, the first Monday in September and the second Monday in November twenty-four juridical days each.

Section 6. A new subsection of Section 23.050 of the Kentucky Revised Statutes is hereby created to read as follows:

(47) Forty-seventh District. Letcher County, at Whitesburg, on the first Monday in January, the first Monday in April, the first Monday in July, and the first Monday in October, twenty-four juridical days each.

Committee on Municipalities reported **SB 86** with the expression of opinion that same should pass by way of Committee Substitute. Read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 86**, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 278.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 278.010 to 278.450, and in KRS 278.990, unless the context otherwise requires:

(1) "Corporation" includes private, quasi public and public corporations, associations, joint-stock companies and business trusts.

(2) "Person" includes natural persons, partnerships, corporations, and two or more persons having a joint or common interest.

(3) "Utility" means any person except a city, who owns, controls, or operates or manages any facility used or to be used for or in connection with:

(a) The generation, production, transmission or distribution of electricity to or for the public, for compensation, for lights, heat, power or other uses;

(b) The production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power or other uses;

(c) The transporting or conveying of gas, crude oil or other fluid substance by pipe line to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in the air or otherwise, of any message by telephone or telegraph for the public, for compensation; or

(f) The transportation of persons or property by street, suburban or interurban railway for the public, for compensation.

(4) "Facility" includes all property, means and instrumentalities owned, operated, leased, licensed, used, furnished or supplied for, by, or in connection with the business of any utility.

(5) "Rate" means any individual or joint fare, toll, charge, rental or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement or privilege in any way relating to such fare, toll, charge, rental or other compensation, and any schedule or tariff or part of a schedule or tariff thereof.

(6) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure and quantity of water, and in general the quality, quantity and pressure of any commodity or product used or to be used for or in connection with the business of any utility.

(7) "Commission" means the Public Service Commission of Kentucky.

(8) "Commissioner" means one of the members of the commission.

Reference of Bills

The President announced reference of the following bills:

Public Utilities: **SB 144.**

Ky. Statutes #1: **SB 145, SB 148, SB 149, SB 150, SB 153.**

Judiciary and Judicial Council: **SB 146.**

Revenue and Taxation: **SB 147, SB 152.**

Motor Vehicles, Commerce and Common Carriers: **SB 151.**

Municipalities: **SB 154.**

Senator Ware moved that the Senate do now adjourn until twelve noon, February 16. Agreed.

TUESDAY, FEBRUARY 16, 1960

THIRTY-FOURTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John C. Chenault of the First Christian Church of Frankfort.

The roll was called. All present except Senator Mrs. J. H. Davis, who was granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 15 dispensed with and the same approved on motion of Senator Ware.

Senator Ware moved suspension of the Rules for the purpose of acting upon **HB 85.** Agreed.

Recess

Senator Johnson moved, seconded by Senator Byers, that the Senate do now recess for the purpose of having a Republican caucus. Agreed.

Senator Melton moved to amend Senator Johnson's motion to limit the recess to no longer than thirty minutes. Agreed. At the appointed hour, the President called the Senate to order.

HB 85 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 85.**

Senators Bassett and Duffy requested a roll call on Senator Ware's motion for the Previous Question on **HB 85.**

On the roll call, the vote was: Yeas 24—Brand, Blue, Bonn, Conley, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Jackson, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 12—Bassett, Bishop, Blake, Byers, Craft, Duncan, Hamilton, D. W. Howard, Hubbard, Johnson, Kelly, Martin. Motion on Previous Question to **HB 85** was passed.

On the roll call, the vote was: Yeas 24—Brand, Blue, Bonn, Conley, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 13—Bassett, Bishop, Blake, Byers, Craft, Duncan, D. W. Howard, Hubbard, Johnson, Kelly, Logan, Miller, Young. **HB 85** was passed and the titile agreed to.

Senator Ware moved that the vote by which **HB 85** was passed be reconsidered and said motion be laid on the table. Agreed.

SR 31, by Senators Conley and Kelly: A RESOLUTION providing for a study by the Legislative Research Commission of the cost of paying a veterans bonus to various groups of veterans and requesting the 1962 General Assembly to enact appropriate legislation.

Senator Conley moved that **SR 31** be adopted. Agreed.

SR 31, A RESOLUTION providing for a study by the Legislative Research Commission of the cost of paying a veterans bonus to various groups of veterans and requesting the 1962 General Assembly to enact appropriate legislation.

WHEREAS, the members of the Senate of the Commonwealth of Kentucky recognize the responsibility of the Commonwealth of Kentucky for the payment of a bonus to all veterans of the Commonwealth who entered service while residents of Kentucky, and

WHEREAS, the Senate is desirous of ascertaining the total cost of paying such a bonus to all such veterans, and

WHEREAS, there has been no complete study or factual information submitted to this body for their consideration prior to the passage of House Bill 85, and

WHEREAS, the Senate desires that each and every veteran of the Armed Forces of the United States, during the four wars referred to in House Bill 85, be awarded a bonus commensurate with their service in such armed forces if the same can be accomplished without jeopardizing the financial structure and economic well-being of the citizens of the Commonwealth, and

WHEREAS, the members of the Senate of the General Assembly of the Commonwealth of Kentucky recognize that any bonus paid to veterans of the Armed Forces of the United States of America, during the four wars referred to in House Bill 85, should first be paid to those veterans who have been and still are residents of our Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is hereby requested to institute a study of the total cost of a bonus for all veterans who entered service while residents of the Commonwealth of Kentucky, which study shall include a breakdown of the cost of a bonus to veterans for each of the four wars referred to in House

Bill 85; and of the difference in cost between veterans who are eligible under House Bill 85 and the cost of paying such a bonus to all veterans or their heirs and next of kin; and the cost of paying veterans of such wars who are no longer residents of the Commonwealth of Kentucky.

Section 2. The Legislative Research Commission is directed to report such findings to the 1962 General Assembly.

Section 3. It is hereby recommended by the Senate to the General Assembly of 1962 that provisions, pursuant to the study herein provided for, be then made for the payment of such bonus to all qualified veterans.

Introduction of Bills

SB 163, by Senator Richmond: AN ACT relating to investments in securities of federal housing agencies.

SB 164, by Senator Kinkead: AN ACT relating to contributions and expenditures in connection with elections, and the reporting thereof.

SB 165, by Senator Hehl: AN ACT relating to the administration of unemployment insurance, and declaring an emergency.

Report of Committees

Ky. Statutes #1 reported **HB 36** with the expression of opinion that same should not pass.

Calendar

SB 136, HB 166, SB 137, SB 138, SB 139, SB 140, SB 111, HB 119, HB 174, SB 99, HB 84, SB 86 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 45, Committee Substitute for HB 67, SB 57, SB 102 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 24, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Hamilton moved that it be read by title only. Agreed.

Senator McCann, seconded by Senator Duffy, moved the adoption of the Committee Amendment to **SB 24.**

Said Amendment is as follows:

Amend printed copy of Senate Bill 24 on page 1, section 1, by adding the following paragraph.

"3. This act shall not apply to scholars or pupils whose parent or guardian shall, in writing, object thereto on grounds that such requirements are not in accordance with the teachings of a recognized religious organization of which he or she is an adherent."

Senators Young and McCann requested a roll call on the Committee Amendment to **SB 24.**

On the roll call, the vote was: Yeas 7—Duffy, Hehl, Logan, McCann, Overbey, Ware, Young. Nays 21—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Derickson, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kinkead, Martin, Melton, Miller, Richmond. Amendment to **SB** 24 was rejected.

Senator Hamilton moved the Previous Question on **SB 24.** Agreed.

On the roll call, the vote was: Yeas 20—Bassett, Bishop, Blake, Blue, Bonn, Conley, Derickson, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, Melton, Miller. Nays 8—Duffy, Hehl, Logan, McCann, Overbey, Richmond, Ware, Young. **SB** 24 was passed and the title agreed to.

Senator Hamilton moved that the vote by which said bill was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon February 17. Agreed.

WEDNESDAY, FEBRUARY 17, 1960

THIRTY-FIFTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John C. Chenault of the First Christian Church of Frankfort.

The roll was called. All present except Senators C. H. Davis and Herbert T. Derickson, who were granted leave of absence on motion of Senator McCann.

House Message

Announcing passage of **HB 98, HB 169, HB 175, HB 181, SB 81.**

Motions

Senator Ware moved that the President appoint a committee to serve with a like committee of the House to wait upon the Governor to attend a Joint Session. Agreed.

The President appointed Senators Martin, Richmond, Jackson, Blue and Miller and named Senator Martin Chairman of said committee.

Recess

Senator Ware moved that the Senate do now recess for the purpose of a Joint Session. Agreed.

The President announced that the Senate would proceed to the House Chamber to hear a message by The Honorable Bert T. Combs, Governor of the Commonwealth of Kentucky.

The Senate proceeded to the House of Representatives, where they entered upon the floor. The Honorable Wilson W. Wyatt, Lieutenant Governor and President of the Senate, assumed the Chair and called the joint session to order.

Representative Ray moved that the roll call be dispensed with.

Prayer by the Reverend John L. Hunt of the South Presbyterian Church of Frankfort.

The Committee appointed to wait upon the Governor appeared with His Excellency, the Honorable Bert T. Combs, Governor of the Commonwealth of Kentucky, who addressed the General Assembly as follows:

ADDRESS BY GOVERNOR BERT T. COMBS BEFORE A JOINT SESSION OF THE GENERAL ASSEMBLY OF KENTUCKY, WEDNESDAY, FEBRUARY 17, 1960.

Governor Wyatt, Mister Speaker, Honorable Members of the Asssembly, Distinguished Officials, Ladies and Gentlemen:

It is my gratifying privilege today to present for your consideration a budget for the operating of Kentucky's government for the coming two years. Some of you, I know, have awaited this budget with impatience. So, to tell the truth, have I. Indeed, in a very real sense, this is the budget which Kentucky has needed for the past half century. Today, with this budget, Kentucky leaves her old depressing place at the bottom of the ladder. As of today Kentucky will go forward.

This, of course, is not solely my budget. Your courage in enacting tax legislation, your wisdom in keeping expenditures within bounds have made this budget possible. I am fully aware that you have been under tremendous pressures during recent weeks. The nature of these pressures and the sources from which they came have made your conduct all the more admirable. I am confident that you will bring to your consideration of this budget the same wisdom, courage and determination.

Since you will consider each item of this budget, I will not impose upon you today a detailed discussion of all it contains. Instead I would like to review with you the highlights, with special attention to those activities for which I propose new or greatly increased appropriations. It is proper, I think, that we should start with education, for it is here that we make one of our greatest and most satisfying steps forward.

During our campaign Mr. Wyatt and I promised an immediate and substantial increase in teachers' salaries. This budget will mean raises of $900 this year and an additional $200 more next year for most teachers with college degrees and somewhat smaller increases for other teachers. It provides an increase of $5,600,000 during the next two years to put the teachers' retirement system fund in sound financial shape and to give retired teachers with 30 years of service a minimum of $1,200 a year.

As you know, I have proposed a central school building authority to help finance classroom building programs. As a second part of this program to correct the classroom shortage, the budget contains funds to increase the present capital outlay from $400 to $600 per classroom unit. It also includes an increase each year of $900,000 for transportation and an additional $3 million which will finance fully a free textbook program for the first eight grades, and the beginning of a similar program for high school.

The fields of higher education have not been neglected. The University and the State Colleges this year enrolled 17,962 students. This number will grow to 21,850 by 1962. This means that we must employ an additional 160 professors, keep those we have and provide housing and classrooms for 4,000 new students within the next two years. To accomplish these purposes I propose an increase of $16,000,000 in general fund appropriations to grant pay raises, to employ new professors and with capital construction funds, to finance the following:

At the University of Kentucky a $6,000,000 Science Building, a $2,000,000 expansion of the Library, and a $1,500,000 Commerce Building. A number of dormitories will be added, the Student Union Building will be enlarged and the utilities system will be renovated. Eastern will receive a maintenance building and a new training school. Western will receive a new science building. Morehead will get a new classroom building and a maintenance building, and Murray and Kentucky State will receive new classroom buildings. New dormitories are planned at all of these colleges.

To take advantage of special educational facilities of the Southern Regional Education Board, I recommend five scholarships in Public Health, four for teachers of the handicapped, and 20 scholarships in Forestry.

At a later date I will ask you to make the Kentucky School for the Deaf a part of the Department of Education, with its own independent Advisory Board. I recommend an increase of $192,000 in the school budget to raise the salaries of teachers and to finance a major improvement of the school's plant.

I propose that funds for the Library Extension Service be increased by $522,000. Many of the bookmobiles donated by private sources are wearing out, and $180,000 will be needed to replace them. Another $40,000 is needed for the purchase of new books. Grants to local libraries are increased from $50,000 to $100,000 under this budget, and funds are included to develop two new regional libraries each year.

This program of growth, expansion, modernization and improvement is one we have long waited for, and I am confident it will meet your approval.

Next, I would like to outlines our program for bringing modern highways to Kentucky. The budget provides $139,825,000 for the road program during the next two years. With this amount, and through good management and our program of economy, we can continue and expand Kentucky's present highway program. We are determined to give Kentucky more roads for each dollar than ever before. We have $30,000,000 of road bonds which have not been sold. If they cannot be sold other sources of financing must be found and will be submitted to you in due course.

I should also mention that we are making progress on the Eastern Kentucky turnpike and hope to have it well under way before this biennium is over. It is our hope that we will soon complete plans for a similar project in Western Kentucky, and perhaps one additional one in another section of the state.

For the Department of Economic Security I am recommending $38,900,000, an increase of $9,167,000 over the current budget. $1,636,000 of this will be used to begin a program of medical aid to the indigent, and about $5,400,000 to increase public assistance payments. To offset possibly regressive effects of the sales tax on low income groups, let me point out that the $2,700,000 that we are adding to public assistance each year will bring in an additional $5,000,000 in federal funds. The total amount of benefits to these people will be more than $63,500,000 a year, and if those who receive it spend it all and pay the maximum sales tax on it, they will pay around $2,000,000. Compare this with the increase of $7,700,000 that they will be getting each year as a result of the sales tax.

While on this subject, you will note that the budget makes no specific appropriation for financing the bonus. This is because it is impossible to say how much the bonus is going to cost, and I am asking that the budget act appropriate only the "amount necessary." The bonus legislation carries an appropriation of $1,000,000 for administration of the act, and I am told it can be administered for that amount. If it does, Kentucky will be setting a record for economical administration.

The proposed budget for the Department of Health is $2,527,000 greater than at present. Most of this will go toward raising the level of our county health programs from 45% to 75% of the standards set by the American Public Health Association. Most important, it will provide the services of a health officer to 36 counties which presently do not have such services. An increase of $1,820,000 is recommended for operating funds for the Tuberculosis Hospital Commission. These funds will permit the Commission to continue present programs and to transfer patients in the Waverly Hills Hospital to the State Hospital in Louisville and will provide funds for patients already transferred from the sanitorium in Lexington to the State Hospital in Paris.

I am recommending an increase of $3,397,000 for the Department of Mental Health. This will raise the average daily expenditure per patient from $3.63 to $4.30, and raise the patient diet expenditure from 52 to 68 cents a day. It will make possible an increase in the out-patient and follow-up programs, and will establish units to help patients in the transition from hospital to society. The budget will make possible construction at Central State Hospital of a 204 bed Admission and Treatment building, a 66 bed maximum security unit and a 50 bed children's unit. It will also add a new storage and refrigeration building.

Because alcoholism is becoming one of our major social problems, I am recommending an increase of $39,000 in the budget of the Kentucky Commission on Alcoholism.

As a result of cutbacks in federal programs and private funds, we have 378 new patients who must be cared for by the Kentucky Commission for Handicapped Children, which was formerly the Kentucky Crippled Children's Commission. To provide for these children and to clear the Commission's waiting list, the Comission's budget has been increased by $925,000.

As we enter a new industrial age in Kentucky, we must not neglect health problems arising from technological progress. Because of insufficient funds, the Department of Health has not been able to comply fully with the law requiring periodic inspection of water supplies. These funds are included in this budget, as are funds for a Division of Radiological Health and for expanded programs of air pollution control, industrial health services and TB control.

The budget for the Department of Welfare shows an increase of almost $1,000,000 for improved maintenance and expansion of staff at the Kentucky Training Home, Kentucky Children's Home and the State Reception Center. I also recommend that teachers' salaries at these institutions be raised in line with those of public school teachers.

As we build a greater Kentucky, we must not forget the importance of agriculture to our economy. Therefore, I recommend $1,000,000 for construction of an Agricultural Research Center at the University of Kentucky and $350,000 to repair, replace and construct facilities on the University's farms. For the Department of Agriculture, I propose an increase of $447,000. This will enable the Commissioner to expand needed services to Kentucky's farm people.

Thirty counties have now been certified as free of brucellosis, one of the greatest threats to our dairy industry. The budget will make it possible for the entire state to be certified as free of brucellosis by 1963. An additional $50,000 has been included to combat mosquitoes in Western Kentucky. Other funds are included to increase support of the State Fair and Exposition Center, which is proving a tremendous asset to agriculture and to the state in general.

The growing competition for new industry demands that we make an increased effort. Therefore, the budget for the Department of Economic Development has been increased by $635,000 to provide for a new Division of Industrial Development, an urban development program and an industrial research fund. The Department of Public Relations has been reorganized to include divisions of tourist and industrial promotion.

Because Kentucky's forests represent one of her great resources I am recommending an increase of nearly $1,000,000 in the budget of the Division of Forestry. This will enable the Division to extend fire protection to 20 additional counties each year, which means that by the end of this biennium 9,886,000 acres of timberland in 90 counties will be protected. Funds are also provided to give greater assistance to the more than 200,000 timberland owners in Kentucky, to improve state forests, expand the small watershed program, operate the East Kentucky Tree Nursery and improve the pest control program.

Increased appropriations are recommended to permit the Division of Soil and Water Resources to broaden services to all of the 121 Soil Conservation Districts. An additional $200,000 is included for the equipment revolving fund, from which low interest loans are made to Soil Conservation Districts for waterways and farm reservoirs. Funds are also recommended to continue for another year the services of a small watershed planning committee so that we may take advantage of federal grants for watersheds as they become available.

Later in this session I shall ask your permission to reorganize the Division of Parks into a separate department. I will have more to say about our parks program at that time. The budget includes a half million dollars each year for the creation of small lakes and parks and $134,500 to match 2-year expenditures by the State of Virginia for the Breaks Interstate Park.

You have before you a bill which combines the functions of the Personnel Department with that of the Merit System. This budget provides for the operation of the reorganized department which will bring for the first time statutory merit system coverage to all departments.

Most of the $350,000 increase recommended for the Department of Military Affairs will be used to repair armories and to meet the costs incurred in bringing 400 technicians of the Department into the State Retirement System.

The budget includes $500,000 each year for airport development and greater services for industrial promotion.

The increased appropriation for the Department of Public Safety will provide additional troopers and funds for equipment to handle the increased work load resulting from the central issuance of drivers' licenses. The accident control program will also be expanded to include a training program for operators of state equipment.

Increased funds for the office of Attorney General will enable him to expand his legal staff to handle many legal matters previously handled by contract attorneys. This, I am confident, will result in savings greater than the increased appropriation.

Most of the increase in the budget for the Finance Department is a result of its taking over the operation of the Health Building, the State Police Training Building, and the Training Home heating plant. The Department has been given responsibility for reorganizing the State Farm System and funds have been included for this purpose.

To supply information which is needed to determine insurance rates and to furnish information to Congressional Committees, I recommend funds to establish a Data Section in the Department of Insurance.

I am recommending an increase of $29,000 to enable the Kentucky Historical Society to catalog its museum pieces and to establish a revolving fund to encourage publication of Kentucky historical material. $30,400 is recommended for a Records and Archives program which will enable us to begin microfilming departmental records.

While recommending these increased expenditures, it is my pleasure to report on two departments for which we will spend less money. In 1959-60, it cost $79,600 to administer the Board of Claims. The new budget for the Department of Industrial Relations includes only $5,000 for the reorganized Board.

The budget for the Department of Motor Transportation, as a result of internal reorganization and reduction in the Department's field forces, has been reduced by $66,000.

In all, it is estimated that the general fund revenues will total $212 million for 1960-61, and $221 million for 1961-62. General fund expenditures, as outlined here, will total $200,882,144 for 1960-61 and $213,016,584 for 1961-62. We should have available a surplus of about $3 million at the beginning of this biennium.

So, unless bonus costs exceed current estimates, expenditures recommended here are within the revenues expected. Let me say that I am sincerely happy and grateful to be able to present to you a budget that meets so many of Kentucky's old and heavy needs, a budget made possible by your cooperation. I deeply believe that this is a day Kentucky will have reason to applaud. With this budget and the program of improvement and progress that it makes possible, Kentucky makes a drastic break with the depressing patterns of the past, and embarks on a new and better day.

The hopes, the trust, the welfare and future of generations of Kentuckians rest with us here today. Keeping our duty uppermost in mind and trusting in the help of Almighty God, let us herewith dedicate ourselves to this great task.

Representative Ray moved that the Joint Session of the House and Senate do now dissolve. Agreed.

The Senate, having reassembled in the Senate Chamber, was called to order by the President Pro Tem, Senator Kidwell.

Reading of the Journal for February 16 dispensed with and the same approved on motion of Senator McCann.

Senator Miller moved that the speech made by Senator White on February 16 be spread upon the Journal. Agreed.

Speech of Senator Everett White in the Kentucky State Senate

16 February 1960. In Reference to **HB** #85 "An Act Relating to the Payment of a Soldiers Bonus."

Mr. President
Members of the Senate
Distinguished Guests and Friends:

In a few remarks which I shall make here at this time, I speak to you as a former soldier and as one of a generation of Kentuckians who served with the Armed Forces for my state and for my country in years of grave national emergency.

What I say in reference to the Bonus Bill will be my own personal views, and is based upon my own record of military service as an Army Sergeant and as a consideration for those with whom I have served.

Today, we are concerned about a Bonus for Kentucky veterans, and in order that you may better understand from this beginning,—let me assure you of my sincere belief—that when the people of this state approve the payment of a Bonus to Kentucky veterans, and the enactment of a Sales Tax to provide the funds therefor: They so intended this as a *mandate* to include all veterans who were bonifide residents of this Commonwealth, upon their entry into active military service.

The whole idea from the beginning *was surely a bold and sentimental venture,* and the writers of history may well record it as *a VENTURE* of which only a dreamer can dream, and that for whatever useful purposes it may serve, it came to this Administration as a costly inheritance.

I believe that *time will vindicate this judgment* when I say here today—that most Kentucky veterans would have been far better off, in the long run, had we gone to some good home town bank and arranged to borrow the money we needed.

Nevertheless, we are assembled here in the State Capitol with a mandate from the people of this state to pay a Bonus at one time to Kentucky veterans of four great wars—and that, my friends, within itself is an order unique and unparralled in all history.

Whatever payments the bonus will provide for our Kentucky veterans, the program will be costly, and its administration must accord fair and impartial treatment for all concerned.

It is my understanding that the administration hopes to handle the matter of "resident requirements" by liberal administrative procedure.

This will confer vast authority upon the administrator of the Bonus Act. However, I say to you, there is no interpretation LIBERAL or otherwise by which you can remove from a soldier the scars of rugged battle or hide the awful memories which I heard them pray to forget.

In my best judgment—I do not subscribe to the belief, that the people of Kentucky intended, nor will the courts hold valid; any Act by which we pay a bonus to some of our veterans who may have moved outside Kentucky; while denying the same to others—except in rare and long established residence outside this Commonwealth.

Down through our recorded history, America's best talent has always been heard to answer, when there has been a call to duty. And for that *"call to duty"* there has gone fair numbers from our own "Land of the Bluegrass".

They have gathered from our mountains, from our valleys, from our fields and from our factories.

Many of you here today *will fully understand, when* I remind you, that "Greetings from your friends and Neighbors", was never meant as a summons for some sentimental journey.

For many honored Kentuckians, this was a journey to some distant land of NO return.

Kentucky, in every land, and in every language, is well recognized as *"A land with many old and honored traditions"*. We are proud of our history, and grateful for our friends of all times.

It was here, in our Bluegrass State that a great American pioneer, Daniel Boone, came to find a land, which he called, "The Happy Hunting Ground". And for the man who loved the roar of the lion, and the hum of the bee, better than the tone of the human tongue, Kentucky was *"The Land of Promise"*.

It was here in central Kentucky that Stephen Collins Foster found kind words for his favorite land, as expressed in his immortalized song—*"My Old Kentucky Home"*.

It was the Bluegrass Region of Kentucky that gave the world that great American Statesman and Peacemaker of all times—Henry Clay.

Not far distant from this State Capitol, in the *"knobs and beautiful hills of Kentucky"* we find the *humble birthplace* of Abraham Lincoln; a great American president, who gave a last full measure of devotion for a cause he cherished, and in his own words, a cause for which men will not have died in vain; if *"Government of the people, by the people, and for the people shall never perish from the earth"*.

Deep in southern Kentucky's Great Land of the Pennyrile, and in the 5th Senatorial District, which I am honored to represent, a lasting memorial stands high in our Pennyrile skies, to symbolize the spirit of a people and to preserve for all times the birthplace and memory of a great Kentuckian and gallant American—Jefferson Davis.

For in western Kentucky, we find The Angles, and the ancestral land of Kentucky's own beloved VEEP—Alben W. Barkley, whose long and useful life was immortalized by these last words, "I had rather be a servant in the House of the Lord than sit in the seats of the Mighty".

These are only a few of Kentucky's gallant heros whose memory we shall cherish and preserve always.

There are others who still live, who served their country far beyond An Old Kentucky Home, *perhaps they are less known,* but they are equally *"heros in our time"*.

Many who served will never return, for they came to their final resting places somewhere over there: Today and forever they will sleep in their lonely graves, some marked only by a simple cross, and the identity of which may be known only to God.

Somewhere, the *Battle for Democracy* will go on forever. This will always be a battle to preserve great Democratic Institutions, which stand along the road of our travels, and which mark the progress of all mankind, and free people everywhere.

It is *a battle to preserve a way of life,* that is free from harm, and free from fear.

In a few minutes, *Judgment* will have been passed upon Kentucky's War Servicemen and Women, *and from Florida's "sunny beaches" to California's "Land of the Golden Gates"*, impartial judges of history wait to record this Judgment in the Annals of time.

This is a day for the men and women of our State, for whom the bands once played.

It is a day for gallant and immortal heros, and the price of Freedom's eternal vigilence, for which they paid.

It is a day for the veteran of your valley, and of your Old Kentucky Home.

And perhaps a day to inspire compassion, in hearts, *that are not made of Stone.*

Introduction of Bills

SB 166, by Senator Conley: AN ACT relating to real estate dealers.

SB 167, by Senator Johnson: AN ACT relating to insurance and amending KRS 304.512.

SB 168, by Senator Ware: AN ACT relating to retirement systems for public officers and employes, making an appropriation, and declaring an emergency.

SB 169, by Senators Raney and Martin: AN ACT relating to wages.

SB 170, by Senator Logan: AN ACT relating to school boards and superintendents.

SB 171, by Senators Ware and Overbey: AN ACT relating to Special Circuit Judges and the Special Circuit Judge Fund, including provisions for classifications, duties, activities, allowances, investments, contributions and appropriations.

SB 172, by Senators Duncan, Johnson, Miller, Hubbard, D. W. Howard and Byers: AN ACT relating to sales and use taxation.

SR 32, by Senator Craft: A CONCURRENT RESOLUTION calling attention to the advantages of Pine Mountain as a site for a state park.

SR 33, by Senator White: A RESOLUTION relating to a Jefferson Davis commemorative stamp.

Senator Craft moved the adoption of **SR 32.** Agreed.

SR 32, A CONCURRENT RESOLUTION calling attention to the advantages of Pine Mountain as a site for a state park.

WHEREAS, the scenic beauty of the Pine Mountain area is unequaled anywhere, though not magnificient or pretentious, and not as grand as other places, but being for soft sheer beauty without comparison, as in the spring when the delicate red of the redbud, the velvet white of the dogwood, the undulating hills, the change of scenery around every curve and soothing murmur of the streams is not only pleasing to the eye but soothing to the soul on all who view; and

WHEREAS, the area has numerous caves that have never been developed or exploited and the extent of which no one knows, but which with a little work and expense could be made into a revenue producing project and a tourist attraction; and

WHEREAS, Bull Hole, a nationally known haven for defeated candidates and its nearby High Rock would be an added attraction; and

WHEREAS, the coal mining camps, tipples and loading docks of the area would attract many; and

WHEREAS, the area has timber reserves that would be benefited by a guided or directed reforestation program; and

WHEREAS, a state park could take over the presently existing Pine Mountain Motel, and could add units or could build another motel at another suitable place, all of which would make profit; and

WHEREAS, sand quarries could be established and operated at profit in the area, as well as limestone quarries; and

WHEREAS, the Pine Mountain area is on top of the world so far as Kentucky is concerned, containing the highest point in Kentucky, in Letcher County on the Kentucky-Virginia border, and containing within a radius of twenty miles sources of five rivers, the Kentucky, Pound, Cumberland, Big Sandy, and Powell and numerous tributaries; and

WHEREAS, many persons would be attracted to the area by the old landmarks such as water mills and log cabins, and to see the old mountain patriarchs and how the last of the true Anglo-Saxon race lived, existed and survived, and to enjoy the inherently courteous and cordial friendship displayed and extended; and

WHEREAS, a skyline highway on Pine Mountain would attract untold thousands not only for the local benefit but for the benefit of the entire state; and

WHEREAS, the coal potential of the area is being fast removed and cannot be replaced, which emphasizes the fact that the ultimate resources of the area is its beauty, which needs to be exploited by the building of good roads and parks, the reforestation of its hills, the damming of its streams, and the establishment of recreational facilities:

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Department of Conservation be requested to give all possible consideration to the establishment of a state park on top of Pine Mountain, on Highway 119 between Whitesburg and Cumberland.

Report of Committees

Committee on Public Health reported **SB 121** with the expression of opinion that same should pass with committee amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 121, AN ACT relating to pharmacies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) "Association" means the Kentucky Pharmaceutical Association.

(2) "Board" means the Kentucky Board of Pharmacy.

Section 2. From and after July 1, 1960, it shall be unlawful for any person, firm, or corporation to operate a pharmacy without first securing from the board a license as hereinafter provided for each separate place in which said business is to be carried on.

Section 3. Application for such license shall be in writing on forms prescribed and furnished by the board and shall be accompanied by the payment of a fee as set by the board of not more than $10.00 per year. Applications for a license to open a new pharmacy shall be made at least 30 days before the pharmacy is to be opened for business. The board shall act on the application during this period.

Section 4. Separate applications shall be made and separate licenses issued for each separate place at which is carried on any of the operations for which a license is required under this Act. In the event that a licensee sells or transfers a licensed pharmacy, the purchaser or transferee shall apply for a license in the manner as set out in this Act. The purchaser or transferee may operate the purchased or transferred pharmacy under the license of the seller or the transferer pending the issuance of his license until the board acts on his application for the license if he notifies the board in writing at least five days prior to the sale or transfer of the pharmacy. Each license issued under this Act shall be conspicuously exposed to the general public in the place for which it was granted.

If a corporation or partnership holds a license under this section and is dissolved or if a receiver, assignee for the benefit of creditors or a committee for the property of a licensee under this section is appointed during the time for which a license was granted or if a licensee dies during the time for which a license was issued and a personal representative is appointed for his estate, that corporation, partnership, receiver, assignee, or the personal representative of the estate of the deceased or individual adjudged to be incompetent shall be permitted to continue the business under the existing license for the balance of the term for which the license is effective with the same rights and subject to the same restrictions and liabilities as if he had held the original license. The license may be renewed for such holders so long as the place of business is operated according to the drug laws of this state and the regulations as set out by the board.

Section 5. (1) The board may after written notice and after a hearing as prescribed in subsections (2) and (3) of this section, revoke, or suspend a license or may deny an application for a license for the following reasons:

(a) Fraud in procuring or applying for a license.

(b) Conviction of an offense where a penalty or fine has been invoked, for violation of the Federal Food, Drug, and Cosmetic Act by the licensee or his agents or employees, a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this section.

(c) Distributing or selling on the premises intoxicating liquors, or malt beverages or drugs for other than lawful purposes.

(d) Wilful or repeated violation of the public health laws of Kentucky by the licensee or his agents and employees.

(e) Use of untrue or misleading statements or untrue or misleading advertising pertaining to the medicinal and pharmaceutical products sold or offered for sale in the licensed premises or premises proposed to be licensed, by the licensee or his agents or employees.

(f) Substitution of a drug or substance other than the drug or brand ordered by the prescription of a physician, veterinarian, or other person authorized to administer or professionally use drugs and to write prescriptions therefor.

(g) Conviction of the licensee of a crime involving moral turpitude. A plea or verdict of guilty, or conviction following a plea of nolo contendere, is deemed to be a conviction within the meaning of this section.

(h) Failure of the licensee to comply fully with the provisions of the pharmacy laws of Kentucky and the rules and regulations of the board and the Code of Ethics of the Association or so conducting the licensed premises so as to adversely affect the public health, welfare, and morals.

(i) Failure of the licensee to keep in a clean and orderly manner the premises for which an application for license is made, or premises for which a license is held.

Section 6. (1) The board and its duly appointed agents may inspect in a lawful manner the drugs that are manufactured, packed, packaged, sold, offered for sale, exposed for sale or kept for sale in this state, and for this purpose may enter and inspect, during business hours, any place in this state where drugs are manufactured, packed, packaged, made, sold, offered for sale, exposed for sale, dispensed or kept for sale.

(2) The board may on its own motion issue written notice to any licensee to show cause why his license should not be suspended or revoked or may issue written notice to any applicant for a license to show cause why his application for a license should not be denied. The notice shall contain a copy of the charge and shall state the time and place at which the hearing is to be conducted. The date of the hearing shall not be less than ten days from the date the notice is received by the applicant or licensee.

(3) Members of the board and its secretary may administer oaths and take evidence in any hearing conducted by the board. The board shall at all hearings receive the testimony of all witnesses and accept

all documentary evidence relative to the issue. The person, firm, or corporation to whom notice is issued, may appear at the hearing either personally or by counsel with the right to produce witnesses and evidence in his own behalf, may cross-examine witnesses, may examine the evidence as may be presented against him, and may have subpoenas issued by the board. At the conclusion of the hearing, if by a majority vote the board shall determine that the accused is guilty of a violation complained of, the board shall proceed to revoke, suspend, or deny the license of the accused applicant or licensee, or shall have the power to levy a fine which shall not exceed the sum of $500.00 for each violation of any law of the state of Kentucky relating to the operation of a pharmacy or of any regulation of the board or any violation of the Code of Ethics of the Association.

Section 7. (1) Any person having an interest in the matter may within thirty days of the effective date of the order of the board appeal from any order of the board denying, revoking, or suspending a license or levying a fine by filing a complaint in the circuit court in which the pharmacy for which the license is sought, or for which a license is held, is located, along with a certified copy of the order of the board. The complaint shall state fully the grounds upon which review is sought, assign all errors relied on, and shall be verified by the appellant. The hearing shall be de novo and shall be determined by the circuit court judge and an appeal may be taken from the decision of the circuit court to the Court of Appeals of Kentucky.

(2) An appeal from a decision of the board or the circuit court shall stay all action by all parties of record in the hearing before the board.

(3) Summons issued as a result of the appeal from the board may be served on any member of the board or a secretary designated by the board, and service on any one member or on the secretary shall be deemed as service on all members.

Section 8. The board may, in addition to the criminal penalty prescribed for violating this Act, apply to the circuit court in which the pharmacy is located for an injunction to restrain repetitious violations of the provisions of this Act.

Section 9. Any person who operates a pharmacy without a license as set out in this Act shall be guilty of a misdemeanor and upon conviction shall be fined not less than $100.00 nor more than $500.00 or shall be imprisoned in the county jail for not more than 90 days, or both, for each violation of this Act and each day the violation continues shall constitute a separate and distinct offense.

Section 10. All fees collected under this Act either in the form of license fees or fines shall be paid into the State Treasury and placed in an agency fund to be spent by the board for the enforcement of this Act. The board may employ such investigators, chemists, agents, or other assistants as it deems necessary to carry out the provisions of this Act.

Amend printed copy of **SB 121** by adding a new final section as follows: "Section 11. Nothing in this act shall interfere with the professional activities of any licensed practicing physician, or prevent him from keeping any drug or medicine that he may need in his practice, from compounding his own prescriptions, or from supplying to his patients any article that seems to him proper."

Committee on Ways and Means reported **SB 104, HB 173,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 104, AN ACT making it a misdemeanor to obtain or attempt to obtain goods, property or service by false or fraudulent use of credit cards or other false or fraudulent means, and providing penalties therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It shall be unlawful for any person knowingly to obtain or attempt to obtain credit, or to purchase or attempt to purchase any goods, property or service, by the use of any false, fictitious, counterfeit or expired credit card, telephone number, credit number or other credit device, or by the use of any credit card, telephone number, credit number or other credit device of another without the authority of the person to whom such card, number or device was issued, or by the use of any credit card, telephone number, credit number or other credit device in any case where such card, number or device has been revoked and notice of revocation has been given to the person to whom issued.

Section 2. It shall be unlawful for any person to obtain or attempt to obtain, by the use of any fraudulent scheme, device, means or method, telephone or telegraph service or the transmission of a message, signal or other communication by telephone or telegraph, or over telephone or telegraph facilities with intent to avoid payment of charges therefor.

Section 3. The word "notice" as used in Section 1 of this act shall be construed to include either notice given in person or notice given in writing to the person to whom the number, card or device was issued. The sending of a notice in writing by registered or certified mail in the United States mail, duly stamped and addressed to such person at his last address known to the issuer, shall be prima facie evidence that such notice was duly received.

Section 4. Any person who violates any provision of Section 1 or Section 2 of this act is guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than fifty dollars ($50.00) nor more than five hundred dollars ($500.00) or imprisonment for not more than one (1) year, or by both such fine and imprisonment.

HB 173, AN ACT relating to temporary courthouse facilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 67.160 of the Kentucky Revised Statutes is amended to read as follows:

The county judge may rent, for the period that a courthouse is being built or repaired, or cannot be used, a house not more than a mile and one quarter from the public square or courthouse site, as a temporary courthouse. He may also rent, for the period that the clerk's office or jail is being built or repaired, a house within the same distance of the public square or courthouse site, as a temporary clerk's office or jail. The rent for such temporary courthouse, clerk's office or jail shall be paid out of the county treasury.

Orders of the Day

SB 45 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 45.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Bonn, Conley, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 4—Bassett, Byers, D. W. Howard, Johnson. **SB 45** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 45** was passed be reconsidered and said motion be laid on the table. Agreed.

Committee Substitute for **HB 67** taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved that Committee Substitute for **HB 67** be adopted. Agreed.

Senator Francis moved the Previous Question on **HB 67** as amended by way of Committee Substitute. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney Richmond, Ware, White, Young. Nay 0. **HB 67** was passed and the title agreed to.

Senator Francis moved that the vote by which the Committee Substitute for **HB 67** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 57 taken from Orders of the Day and ordered read at length for the third time. Senator Richmond moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **SB 57.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Brand, Byers, Conley, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nay 1—McCann. **SB 57** was passed and the title agreed to.

Senator Richmond moved that the vote by which **SB 57** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 102 taken from Orders of the Day and ordered read at length for the third time. Senator C. S. Howard moved that it be read by title only. Agreed.

Senator C. S. Howard moved the Previous Question on **SB 102.** Agreed.

On the roll call, the vote was: Yeas 19—Bishop, Brand, Blue, Bonn, Byers, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Martin, Melton, Raney, Ware, White. Nays 14—Bassett, Blake, Conley Hehl, Hickerson, Kelly, Kidwell, Kinkead, Logan, McCann, Miller, Overbey, Richmond, Young. **SB 102** was passed and the title agreed to.

Senator C. S. Howard moved that the vote by which **SB 102** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 25 taken from Orders of the Day. Senator Hehl moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 136 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Miller moved the Previous Question on **SB 136.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nay 0. **SB 136** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 136** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator McCann moved suspension of the Rules for the purpose of introducing guests. Agreed.

Senator McCann moved that Messrs. Siemens, Fallahay, Specht, and Haury, Aldermen from the City of Louisville, be given the privilege of the floor. Agreed.

HB 166 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 166.** Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond. Nays 5—Craft, Hehl, Overbey, Ware, Young. **HB 166** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 166** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 85, HB 54, HB 38, HB 39** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President Pro Tem. Ordered delivered to the House.

SB 137 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Blue moved the Previous Question on **SB 137.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Blue, Bonn, Byers, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Miller, Overbey, Raney, Richmond, Ware, Young. Nay 0. **SB 137** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 137** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Blue moved suspension of the Rules for the purpose of introducing a resolution.

Introduction of Resolution

SR 34, by Senator Blue: A RESOLUTION relating to sesqui-centennial observance of the City of Henderson.

Senator Blue moved the adoption of **SR 34.** Agreed.

SR 34, A RESOLUTION relating to sesqui-centennial observance of the City of Henderson.

WHEREAS, Richard Henderson and others, composing the partnership known as Richard Henderson and Company, and also as the Transylvania Company, did on January 6, 1775, purchase from the Cherokee Nation of Indians 200,000 acres of land on the south side of the Ohio River confluent with Green River, which purchase was later set aside by the General Assembly of the Commonwealth of Virginia, but was later patented to the said Richard Henderson and Company due to the energy and resources expended by the Company in affecting said purchase; and

WHEREAS, a portion of this purchase now embraces the northern portion of Henderson County, Henderson County having been severed from Christian County in 1798; and

WHEREAS, a community was formed in Henderson County, on the Ohio River just below the mouth of Green River, then known as Red Banks, which community grew and prospered through the brave and energetic activities of its citizens and became a city renamed Henderson; and

WHEREAS, in the year 1810, the City of Henderson was incorporated by the Legislature of the Commonwealth of Kentucky and has continued to grow and prosper for the last 150 years and during the year 1960, beginning on February 6th, the City of Henderson is celebrating and commemorating its sesqui-centennial as an incorporated city; and

WHEREAS, the County of Henderson is one of the leading oil producing counties of Kentucky, and its citizens produce a vast amount of tobacco, corn and soybeans. The City of Henderson is served by two railroads, the Louisville and Nashville and the Illinois Central. It is located on three major highways, U.S. 41, U.S. 60, and U.S. 641. The present population is in excess of 20,000 home loving people. Its manufacturing interests are many and varied, many of its streets are 100 feet wide.

Henderson and Henderson County have given much to the Commonwealth of Kentucky. John James Audubon located in Henderson in 1807, and lived there for several years.

Henderson and Henderson County have given the Commonwealth the following Governors: Lazarus W. Powell; John Young Brown; A. O. Stanley; and Albert B. Chandler.

Henderson has contributed many of its citizens to places of trust in the nation, and it is truly a city of culture and refinement.

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That it take notice of the sesqui-centennial observance of the City of Henderson and that the citizens of the Commonwealth of Kentucky be made aware of Henderson's celebration and that a copy of this Resolution be spread upon the records of this Assembly.

Reference of Bills and Resolutions

The President Pro Tem announced reference of the following bills and resolutions:

Ky. Statutes #1: **SB 155, SB 159.**

Ky. Statutes #2: **SB 156.**

Revenue and Taxation: **SB 157.**

Veterans Legislation and Military Affairs: **SB 158.**

Courts and Legal Procedure: **SB 160.**

Judiciary and Judicial Council: **SB 161.**

Appropriations: **SB 162, SR 29, SB 165, HB 197.**

Agriculture and State Fair: **SR 30, HB 152.**

Banks and Banking: **SB 163.**

Elections and Redistricting: **SB 164.**

Criminal Law: **HB 55.**

Municipalities: **HB 56.**

Motor Vehicles, Commerce and Common Carriers: **HB 104.**

Rural Roads and Highways: **HB 117.**

Senator Ware moved that the Senate do now adjourn until twelve noon, February 18. Agreed.

THURSDAY, FEBRUARY 18, 1960

THIRTY-SIXTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John C. Chenault of the First Christian Church of Frankfort.

The roll was called. All present except Senators Blake, Bonn, C. H. Davis, Derickson, Duncan and Francis, who were granted leave of absence on motion of Senator Conley.

Reading of the Journal for February 17 dispensed with and the same approved on motion of Senator Conley.

Motions

Senator White moved the adoption of **SR 33.** Agreed.

SR 33, A RESOLUTION relating to a Jefferson Davis commemorative stamp.

WHEREAS, the only President of the Confederate States of America Jefferson Davis, was a native of the Commonwealth of Kentucky, having been born in Christian County—now Todd County—on June 3, 1808,

WHEREAS, the Nation-Wide Centennial observance of the War Between the States will begin in the year 1961, to last for a period of four years, and

WHEREAS, the fame of Jefferson Davis as a key figure of the War Between the States has become a cherished part of the heritage of the Commonwealth of Kentucky and of the South, and

WHEREAS, it has been a policy of the Postal Office of the United States to issue postage stamps of a commemorative nature to recognize certain outstanding figures of American history, and

WHEREAS, a number of Southern States have in recent years through legislative acts, petitioned the United States Government to issue a stamp in honor of Jefferson Davis in the beginning year of the Centennial observance of the War Between the States,

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress of the United States be memorialized to take necessary steps to achieve the issuance of a commemorative stamp during the year 1961 to recognize the stature of statesmanship attained by Jefferson Davis; and

Section 2. That copies of the above Resolution be forwarded to the members of the House of Representatives and the Senate of the United States from the Commonwealth of Kentucky, and to the Postmaster-General of the United States.

Introduction of Bills

SB 173, by Senators Ware and Overbey: AN ACT relating to the Judicial Department of the State Government; including provisions for judicial administration; financial administration and facilities of the Court of Appeals; compensation of Commissioners; and a retirement system for Judges and Commissioners of the Court of Appeals.

SB 174, by Senator McCann: AN ACT relating to magazine salesmen, peddlers and solicitors in the unincorporated areas of any county in the Commonwealth.

Calendar

SB 121, SB 104, HB 173 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 25, SB 138, SB 139, SB 140 taken from Orders of the Day. Senator Duffy moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 111 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that **SB 111** be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 111**. Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Brand, Blue, Byers, Conley, Craft, Mrs. J. Harry Davis, Duffy, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 3—Durham W. Howard, Johnson, Overbey. **SB 111** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 111** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 119 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 99, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Hehl moved that it be read by title only. Agreed.

Senator Hehl moved the adoption of the Committee Amendment to **SB 99**. Agreed.

Said amendment is as follows:

"Amend printed copy of Senate Bill 99 on page 1, section 1, line 1, by adding after the word second the words "and third" so that line of said bill shall read "The legislative body of a city of the second and third class may by ordinance provide for the establishment or abolishment of an auxiliary police force to perform special duties within the city on terms it deems proper."

Senator Hehl moved the Previous Question on **SB 99** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Brand, Blue, Byers, Conley, Craft, Mrs. J. Harry Davis, Duffy, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White Young. Nays 0. **SB 99** was passed and the title agreed to.

Senator Hehl moved that the vote by which **SB 99** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 84 taken from Orders of the Day and ordered read at length for the third time. Senator Craft moved that it be read by title only. Agreed.

Senator Craft moved the Previous Question on **HB 84.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Brand, Blue, Conley, Craft, Mrs. J. Harry Davis, Duffy, Francis, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 2—Bassett, Young. **HB 84** was passed and the title agreed to.

Senator Craft moved that the vote by which **HB 84** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 86, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Martin moved that it be read by title only. Agreed.

Senator Martin moved the adoption of Committee Substitute to **SB 86.** Agreed.

Senator Martin moved the Previous Question on **SB 86** as amended. Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Brand, Blue, Conley, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 4—Byers, Hickerson, D. W. Howard, Johnson. **SB 86** was passed and the title agreed to.

Senator Martin moved that the vote by which **SB 86** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 32, HB 94, HB 106, HR 62, SB 41**, with House Amendment attached thereto.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 81** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Blue moved suspension of the Rules for the purpose of making Committee Reports.

Report of Committees

Committee on Appropriations reported **HB 122** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 122, AN ACT relating to expenses of members of the General Assembly.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 6.211 of the Kentucky Revised Statutes is amended to read as follows:

In addition to any and all sums, compensation, or expenses now paid the members of the General Assembly and the President of the Senate, they, and each of them shall receive an expense allowance of twenty-five dollars for each legislative day. This sum shall be paid whether the General Assembly is in regular or extraordinary session and shall be in full recompense of any additional expenses incurred in excess of that now received by them.

Section 2. Whereas, present inflationary trends have raised the actual expenses of the members of the General Assembly and the President of the Senate, an emergency is hereby declared to exist and this Act shall take effect upon its passage and approval by the Governor, and shall be retroactive to include any and all days of the 1960 Regular Session of the General Assembly which may have elapsed up to the date of passage and approval of this Act.

Committee on Labor and Manufacturing reported **SB 118**, with the expression of opinion that same should pass by way of Committee Substitute. Read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 118**, AN ACT relating to public works.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 337.510 of the Kentucky Revised Statutes is amended to read as follows:

Before advertising for bids or entering into any contract for construction of public works, every public authority shall ascertain from the department the prevailing rates of wages of laborers, workmen, mechanics, helpers, assistants and apprentices for the class of work called for in the construction of such public works in the locality where the work is to be performed. This schedule of wages shall be attached to and made a part of the specifications for the work and shall be printed on the bidding blanks and made a part of every contract for the construction of public works.

Section 2. Section 337.520 of the Kentucky Revised Statutes is amended to read as follows:

(1) In the Department of Industrial Relations there shall be a Prevailing Wage Board consisting of the Commissioner of Industrial Relations, one member representing industry and one member representing labor. The members representing industry and labor shall be appointed for periods of not more than four years by the Governor from a list of prospective members recommended by bona fide associations representative of industry and labor, and shall receive only their actual necessary expenses incurred in carrying out their duties. The commissioner shall act as chairman of the board. Two-thirds of the members shall constitute a quorum, and recommendations, reports or orders of the board shall require a vote of a majority of the members of the board. The board shall meet each month on the first Monday after the first day of the month, said meetings to be held in the offices of the Department of Industrial Relations, Frankfort, Kentucky. The chairman from time to time shall establish regulations not inconsistent with this section, governing the mode of procedure of the board and associations filing wage contracts with the board.

(2) The board shall require the filing of all wage contracts of all laborers, workmen, mechanics, helpers, assistants and apprentices in this state which have been agreed to between bona fide organizations of labor and an employer or associations of employers. Such contracts shall be filed within ten days after they are signed.

(3) The board shall establish prevailing wages at the same rate that prevails or will prevail in the locality under collective agreements or understandings between bona fide organizations of labor and their employers or associations of employers if there are such agreements or understandings in the locality applying to a sufficient number of employes to furnish a reasonable basis for considering those rates to be the prevailing rates in the locality. The wage rates to be used by the public authority in a contract for the construction of public works

shall be the prevailing wage as of the date the public works project is advertised and offered for bid. If contracts are not awarded within ninety days from the date of offering for bid the public authority shall reascertain the prevailing rate of wages from the department before the contract is awarded. The schedule or scale of prevailing wages shall be incorporated in and made a part of each contract.

(4) The wages paid for a legal day's work to laborers, workmen, mechanics, helpers, assistants and apprentices upon public works shall not be less than the prevailing wages paid in the same trade or occupation in the locality.

Section 3. Section 337.530 of the Kentucky Revised Statutes is amended to read as follows:

(1) Where the Prevailing Wage Board has established and prescribed a prevailing rate of wages, the contract executed between a public authority and the successful bidder or contractor shall contain a provision requiring the successful bidder and all of his subcontractors to pay the rate of wages so established. The successful bidder or contractor and all subcontractors shall strictly comply with these provisions of the contract.

(2) All contractors and subcontractors required by KRS 337.510 to 337.550 and by contracts with any public authority to pay not less than the prevailing rate of wages, shall pay such wages in legal tender without any deductions. These provisions shall not apply where the employer and employe enter into an agreement in writing at the beginning of or during any term of employment covering deductions for food, sleeping accommodations or any similar item if this agreement is submitted by the employer to the department and is approved by the department as fair and reasonable. All contractors and subcontractors affected by the terms of KRS 337.510 to 337.550 shall keep full and accurate payroll records covering all disbursements of wages to their employes to whom they are required to pay not less than the prevailing rate of wages. Such records shall indicate the hours worked each day by each employe in each classification of work and the amount paid each employe for his work in each classification. They shall be open to the inspection and transcript of the commissioner or his authorized representative at any reasonable time, and every employer shall furnish to the commissioner or his authorized representative on demand a sworn statement of them. The commissioner may require the statement to be upon forms prescribed or approved by him. These payroll records shall not be destroyed or removed from this state for one year following the completion of the improvement in connection with which they are made.

(3) Each contractor and subcontractor subject to the provisions of KRS 337.510 to 337.550 shall post and keep posted in a conspicuous

place or places at the site of the construction work a copy or copies of prevailing rates of wages and working hours as prescribed in the contract with the public authority, showing the rates of wages prescribed and the working hours for each class of laborers, workmen, mechanics, helpers, assistants and apprentices employed by him in the work of constructing the public works provided for in the contract with the public authority.

Section 4. Section 337.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any firm, individual, partnership or corporation that violates KRS 337.020 shall be fined not less than twenty-five dollars nor more than one hundred dollars for each offense. Each failure to pay an employe the wages when due him under KRS 337.020 shall constitute a separate offense.

(2) Any person who violates KRS 337.030 shall be fined not more than five hundred dollars for each violation.

(3) Any employer who violates KRS 337.050 shall be fined not less than twenty-five dollars nor more than two hundred dollars or imprisoned for not more than thirty days, or both.

(4) Any person who violates KRS 337.060 shall be fined not more than three hundred dollars or imprisoned for not more than sixty days, or both.

(5) Any employer or agent of an employer who fails to keep and present records as provided in KRS 337.320 or who falsifies such records, or who fails to keep posted a copy of the minimum fair-wage orders as required in KRS 337.330, or who in any way hinders the commissioner or his authorized representative in the enforcement of KRS 337.210 to 337.360 shall be fined not less than twenty-five dollars nor more than one hundred dollars. Each day of violation of any of these provisions shall constitute a separate offense.

(6) Any person who violates subsection (1) of KRS 337.350 shall be fined not less than fifty dollars nor more than two hundred dollars.

(7) Any person who violates subsection (2) of KRS 337.350 shall be fined not less than fifty dollars nor more than two hundred dollars or be imprisoned not less than ten days nor more than ninety days, or both. Each day subsection (2) of KRS 337.350 is violated shall constitute a separate offense.

(8) Any person who violates any of the provisions of KRS 337.370 to 337.400 shall be fined not less than twenty-five dollars nor more than fifty dollars for the first offense, and for each subsequent offense he shall be fined not less than fifty dollars nor more than two hundred dollars or imprisoned not less than ten days nor more than ninety days, or both.

(9) Any person who violates KRS 337.530 shall be fined not more than one hundred dollars.

(10) Any contractors or subcontractor who violates any wage or work hours provisions in any contract under KRS 337.510 to 337.550 shall be fined not more than one hundred dollars for each offense. Said contractor or subcontractor shall make full restitution to all employes to whom he is legally indebted by reason of said violation. Further, said contractor or subcontractor shall be barred from bidding on, or working on, any and all public works contracts, either in his name or in the name of any other company, firm, or other entity in which he might be interested until such restitution is complete. Each day of violation shall constitute a separate offense, and the violation as affects each individual worker shall constitute a separate offense.

(11) Any public authority who willfully fails to comply or to require compliance with KRS 337.510 to 337.550 shall be fined not more than one hundred dollars for each offense.

(12) Any person who fails to comply with KRS 337.070 shall be fined not less than ten dollars, nor more than one hundred dollars for each offense and each day that such failure continues shall be deemed a separate offense.

Senator Ware moved that when the Senate adjourn, it adjourn to meet at nine a.m., February 19. Agreed.

Reference of Bills

The President announced reference of the following bills:

Revenue and Taxation: **SB 166**

Ky. Statutes #2: **SB 167, SB 170, SB 172**

Appropriations: **SB 168, SB 171, HB 181**

Ky. Statutes #1: **SB 169**

Municipalities: **HB 98**

Agriculture and State Fair: **HB 169, HB 175**

Senator Ware moved that the Senate do now adjourn until nine a.m., February 19. Agreed.

FRIDAY, FEBRUARY 19, 1960

THIRTY-SEVENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John C. Chenault of the First Christian Church of Frankfort.

The roll was called. All present except Senators Bishop, Bonn, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Johnson and Young, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 18 dispensed with and the same approved on motion of Senator Blake.

Motions

Senator Kidwell moved that the Senate take up House Amendment to **SB 41.** Agreed.

Senator Kidwell moved that the Senate concur in the House Amendment to **SB 41.** Agreed.

The House has passed **SB 41** with the following amendment:

Amend printed copy of **SB 41** on page 5, section 3, line 30 through 39 by deleting lines 30 through 39, and inserting in lieu thereof the following:

"Section 4. Section 186.235 of the Kentucky Revised Statutes is amended to read as follows:

No motor vehicle, not previously registered in this state, other than a new motor vehicle sold by a dealer licensed in this state, shall be registered by the county clerk unless such vehicle shall have been inspected by the sheriff of the county or his deputy, in counties containing a city of the first or second class, or by any peace officer in other counties of the state. Such inspection officer shall make a record of inspection on forms prescribed by the department. The applicant shall pay the inspection officer a fee of one dollar for making the inspection."

Also, on page 5, section 4, line 1, by deleting word and figure "Section 4" and inserting in lieu thereof the following: "Section 5."

The House respectfully requests the concurrence of the Senate on this amendment.

Senator Kidwell moved the Previous Question on **SB 41** as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Blake, Brand, Byers, Conley, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 0. Senate concurred in House amendment to **SB 41.**

Introduction of Bills

SB 175, by Senator McCann: AN ACT making provisions for old-age assistance payments of two hundred dollars a month.

SB 176, by Senator Bassett: AN ACT relating to the powers of cities in the Commonwealth of Kentucky.

Report of Committees

Committee on Insurance reported **SB 58** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 58, AN ACT relating to liability insurance of school district boards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any county or independent school district board may expend its school funds to purchase policies of liability insurance to compensate for personal injuries and property damage to others resulting from the negligence of the board or its agents and employes while in the course of their employment.

Section 2. Nothing contained in this Act shall be construed to be a waiver of soverign immunity, except as to claims against school district boards which will be paid by insurance purchased as provided in Section 1 of this Act.

Committee on Ky. Statutes #1 reported **SB 155** with the expression of opinion that same should pass, with Committee Amendments attached thereto. Read at length for the first time and ordered placed in the Calendar.

Said Amendment #1 is as follows:

"Amend printed copy of **SB 155** on page 10, section 9, lines 16, 17 and 18 by striking those lines and inserting in lieu thereof the following:

"As determined by the prime rate prevailing on unsecured commercial loans among the majority of the New York City Clearing House Member Banks on the first day of the month in which the loan is made to the corporation."

Said Amendment #2 is as follows:

"Amend printed copy of **SB 155** on page 5, section 4, after line 33, by adding the following language:

"The corporation may charge interest on such loans at rates of interest not to exceed whichever is the higher of the two following rates:

(a) the rate mentioned in KRS 360.010; (b) two percent in excess of the prime rate prevailing on unsecured commercial loans among the majority of the New York City Clearing House Member Banks on the first day of the month in which the loan is made."

SB 155, AN ACT relating to business development corporations.

WHEREAS, the great changes that have taken place and are continuing in the general economy of the United States have produced hardship and economic distress to great areas and many citizens of the Commonwealth; and

WHEREAS, many people of the Commonwealth can no longer follow their traditional way of life; and

WHEREAS, the small independent businesses of the Commonwealth are among the chief sufferers from this change of economy; and

WHEREAS, the health, vigor and opportunity of the small independent businesses are of vital importance and interest to all the people of the Commonwealth;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act shall be known as "The Business Development Corporation Act".

Section 2. As used in this Act, unless the context otherwise requires:

(1) "Corporation" means a business development corporation created under this Act.

(2) "Financial institution" means any banking corporation or public or private pension or retirement fund, trust company, building and loan association, insurance company or related corporation, partnership, foundation, or other institution engaged in lending or investing funds.

(3) "Member" means any financial institution authorized to do business within this Commonwealth which undertakes to lend money to a corporation created under this Act, upon its call, and in accordance with the provisions of this Act.

(4) "Board of directors" means the board of directors of the corporation created under this Act.

(5) "Loan Limit" means for any member, the maximum amount permitted to be outstanding at one time on loans made by such member to the corporation, as determined under the provisions of this Act.

Section 3. Twenty-five or more persons, a majority of whom are residents of this Commonwealth, who desire to create a business development corporation under the provisions of this Act, for the purpose of promoting, developing and advancing the prosperity and economic welfare of the Commonwealth and, to that end, to exercise the powers and privileges hereinafter provided, may be incorporated in the following manner. Such persons shall, by articles of incorporation filed with the Secretary of State, signed and acknowledged by them, set forth:

(1) The name of the corporation, which shall include the words "Business Development Corporation";

(2) The location of the principal office of the corporation, but such corporation may have offices in such other places within the Commonwealth as may be fixed by the board of directors;

(3) The purpose for which the corporation is founded, which shall include the following:

The purposes of the corporation shall be to promote, stimulate, develop and advance the business prosperity and economic welfare of the Commonwealth of Kentucky and its citizens; to encourage and assist through loans, investments or other business transactions, in the location of new business and industry in this Commonwealth and to rehabilitate and assist existing business and industry; and so to stimulate and assist in the expansion of all kinds of business activity which will tend to promote the business development and maintain the economic stability of this Commonwealth, provide maximum opportunity for employment, encourage thrift, and improve the standard of living of the citizens of this Commonwealth; similarly, to cooperate and act in conjunction with other organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural and recreational developments in this Commonwealth; and to provide financing for the promotion, development, and conduct of all kinds of business activity in this Commonwealth.

Section 4. In furtherance of the purposes set forth in Section 3 above and in addition to the powers conferred on business corporations by the provisions of Chapter 271 of the Kentucky Revised Statutes the corporation shall, subject to the restrictions and limitations herein contained, have the following powers:

(1) To elect, appoint and employ officers, agents and employees; to make contracts and incur liabilities for any of the purposes of the corporation; provided, that the corporation shall not incur any secondary liability by way of guaranty or endorsement of the obligations of any person, firm, corporation, joint stock company, association, or trust, or in any other manner.

(2) To borrow money from any source including the United States Government, or any instrumentality thereof, including the Small

Business Administration and similar agencies, for any of the purposes of the corporation; to issue therefor its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof or interest therein, without stockholder or member approval; provided, that no loan to the corporation shall be secured in any manner unless all outstanding loans to the corporation are secured equally and ratably in proportion to the unpaid balance of such loans and in the same manner.

(3) To make loans to any person, firm, corporation, joint-stock company, association, or trust, and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith; provided, however, that the corporation shall not approve any application for a loan unless and until the person applying for said loan shall show that he has applied for the loan through ordinary banking channels and that the application has been refused by at least one bank or other financial institution.

(4) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property required by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(5) To acquire the good will, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, joint-stock companies, associations, or trusts, and to assume, undertake, or pay the obligations, debts, and liabilities of any such person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments; and to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments.

(6) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint-stock company, association or trust, and while the owner or holder thereof to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon; and to acquire stock or stock options in the corporation or organization to which it makes loans.

(7) To mortgage, pledge, or otherwise encumber any property, right or thing of value, acquired pursuant to the powers contained in subsections (4), (5), or (6), as security for the payment of any part of the purchase price thereof.

(8) To cooperate with and avail itself of the facilities of the Department of Economic Development and The Industrial Development Finance Authority and any similar governmental or private agencies; and to cooperate with and assist, and otherwise encourage organizations in the various communities of the Commonwealth in the promotion, assistance, and development of the business prosperity and economic welfare of such communities or of this Commonwealth or of any part thereof.

(9) To do all acts and things necessary or convenient to carry out the powers granted in this Act.

Section 5. The articles of incorporation shall set forth the amount of total authorized capital stock and the number of shares in which it is divided, the par value of each share, and the amount of capital stock with which the corporation will commence business and, if there is more than one class of stock, a description of the different classes, and the names and post office addresses of the subscribers of stock and the number of shares subscribed by each. The aggregate of the subscription shall be the amount of capital with which the corporation will commence business. The articles of incorporation may also contain any provision consistent with the laws of this Commonwealth for the regulation of the affairs of the corporation or creating, defining, limiting and regulating its power.

Section 6. Before the said articles of incorporation shall become effective, they must be approved by the Governor, and, from the date the said articles of incorporation are filed in the office of the Secretary of State, with such approval, the stock subscribers, their successors and assigns, shall become a body corporate, by the name specified in the articles, subject to amendment and dissolution as provided in this Act.

Section 7. Notwithstanding any rule at common law or any provision of any general or special law or any provision in their respective charters, agreements of association, articles of organization, or trust indentures: (1) all domestic corporations organized for the purpose of carrying on business within this Commonwealth including without implied limitation any public utility companies and insurance and casualty companies and foreign corporations licensed to do buisness in the Commonwealth, and all trusts, and private or public pension or retirement funds are hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the corporation, and while owners of said stock to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the Commonwealth; (2) all financial institutions are hereby authorized to become members of the corporation and to make loans to the corporation as provided herein; (3) a financial institution which does not become a member of the corporation shall not be permitted to acquire any shares of the capital stock of the corporation; and (4) each financial institution which becomes a member of the corporation is hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of the corporation, and while owners of said stock to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the Commonwealth; provided, that the amount of the capital stock of the corporation which may be acquired by any member pursuant to the authority granted herein shall not exceed ten percent of the loan limit of such member. The amount of capital stock of the corporation which any member is authorized to acquire pursuant to the authority granted herein is in addition to the amount of capital stock in corporations which such member may otherwise be authorized to acquire.

Section 8. (1) Any financial institution may request membership in the corporation by making application to the board of directors on such form and in such manner as said board of directors may require, and membership shall become effective upon acceptance of such application by said board.

(2) Each member of the corporation shall make loans to the corporation as and when called upon by it to do so on such terms and other conditions as shall be approved from time to time by the board of directors, subject to the following conditions:

(a) All loan limits shall be established at the thousand-dollar amount nearest to the amount computed in accordance with the provisions of this section.

(b) No loan to the corporation shall be made if immediately thereafter the total amount of the obligations of the corporation would exceed ten times the amount then paid in on the outstanding capital stock of the corporation.

(c) The total amount outstanding on loans to the corporation made by any member at any one time, when added to the amount of the investment in the capital stock of the corporation then held by such member, shall not exceed:

1. Twenty percent of the total amount then outstanding on loans to the corporation by all members, including in said total amount outstanding, amounts validly called for loan but not yet loaned;

2. The following limit, to be determined as of the time such

member becomes a member on the basis of the audited balance sheet of such member at the close of its fiscal year immediately preceding its application for membership, or, in the case of an insurance company, its last annual statement to the Commissioner of Insurance; two percent of the capital and surplus of commercial banks and trust companies; one percent of the total outstanding loans made by a building and loan association: provided, however, that any business development corporation created pursuant to this Act may in its articles of incorporation, or by appropriate amendment thereto, provide that the loan limit of a building and loan association member shall be only one-half of one percent of the total outstanding loans made by such building and loan association member; one percent of the capital and unassigned surplus of stock insurance companies, except fire insurance writing companies; one percent of the unassigned surplus of mutual insurance companies, except fire insurance writing companies; one-tenth of one percent of the assets of fire insurance writing companies; and such limits as may be approved by the board of directors of the corporation for other financial institutions.

Section 9. (1) Subject to subparagraph 1 of paragraph (c) of subsection (2) of Section 8, each call made by the corporation shall be prorated among the members of the corporation in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of such member's loan limit, reduced by the balance of outstanding loans made by such member to the corporation and the investment in capital stock of the corporation held by such member at the time of such call.

(2) All loans to the corporation by members shall be evidenced by bonds, debentures, notes, or other evidence of indebtedness of the corporation, which shall be freely transferable at all times, and which shall bear interest at a rate of not less than one-quarter of one percent in excess of the rate of interest determined by the board of directors to be the prime rate prevailing at the date of issuance thereof on unsecured commercial loans.

Section 10. Membership in the corporation shall be for the duration of the corporation; provided that,

(1) Upon written notice given to the corporation three years in advance, a member may withdraw from membership in the corporation at the expiration date of such notice.

(2) A member shall not be obligated to make any loans to the corporation pursuant to calls made subsequent to the notice of intention to withdraw of said member.

Section 11. (1) The stockholders and the members of the corporation shall have the following powers of the corporation:

(a) to determine the number of and elect directors as provided in Section 13 hereof; (b) to make, amend and repeal bylaws; (c) to amend its articles of incorporation as provided in Section 12; (d) to exercise such other of the powers of the corporation as may be conferred on the stockholders and the members by the bylaws.

(2) As to all matters requiring action by the stockholders and the members of the corporation, said stockholders and said members shall vote separately thereon by classes, and, except as otherwise herein provided, such matters shall require the affirmative vote of a majority of the votes to which the stockholders present or represented at the meeting are entitled, and the affirmative vote of a majority of the votes to which the members present or represented at the meeting are entitled.

(3) Each stockholder shall have one vote, in person or by proxy, for each share of capital stock held by him, and each member shall have one vote, in person or by proxy, except that any member having a loan limit of more than one thousand dollars shall have one additional vote, in person or by proxy, for each additional one thousand dollars which such member is authorized to have outstanding on loans to the corporation at any one time as determined under subparagraph 2. of paragraph (c) of subsection (2) of Section 8.

Section 12. (1) Articles of incorporation may be amended by the votes of the stockholders and the members of the corporation, voting separately by classes, and such amendments shall require approval by the affirmative vote of two-thirds of the votes to which the stockholders are entitled and two-thirds of the votes to which the members are entitled; provided, that no amendment of the articles of incorporation which is inconsistent with the general purposes expressed herein or which authorizes any additional class of capital stock to be issued, shall be made.

(2) Within 30 days after any meeting at which amendment of the articles of incorporation has been adopted, articles of amendment signed and sworn to by the president, treasurer and a majority of the directors, setting forth such amendment and the due adoption thereof, shall be submitted to the Secretary of State, as provided in KRS 271.450.

Section 13. (1) The business and affairs of the corporation shall be managed and conducted by a board of directors, a president and treasurer, and such other officers and such agents as the corporation by its bylaws shall authorize. The board of directors shall consist of such number, not less than 15 nor more than 21, as shall be determined in the first instance by the incorporators and thereafter annually by the members and the stockholders of the corporation.

(2) The board of directors may exercise all the powers of the

corporation except such as are conferred by law or by the bylaws of the corporation upon the stockholders or members and shall choose and appoint all the agents and officers of the corporation and fill all vacancies, except vacancies in the office of director, which shall be filled as hereinafter provided.

(3) The board of directors shall be elected in the first instance by the incorporators and thereafter at each annual meeting of the corporation, or, if no annual meeting is held in any year at the time fixed by the bylaws at a special meeting held in lieu of the annual meeting. At each annual meeting, or at each special meeting held in lieu of the annual meeting, the members of the corporation shall elect two-thirds of the board of directors and the stockholders shall elect the remaining directors. The directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after the election and until their successors are elected and qualified unless sooner removed in accordance with the provisions of the bylaws. Any vacancy in the office of a director elected by the members shall be filled by the directors elected by the members, and any vacancy in the office of a director elected by the stockholders shall be filled by the directors elected by the stockholders.

(4) Directors and officers shall not be responsible for losses unless the same shall have been occasioned by the wilful misconduct of such directors and officers.

Section 14. Each year the corporation shall set apart as earned surplus not less than ten percent of its net earnings for the preceding fiscal year until such surplus is equal in value to one-half of the amount paid in on the capital stock then outstanding. Whenever the amount of surplus established herein becomes impaired, it shall be built up again to the required amount in the manner provided for its original accumulation. Net earnings and surplus shall be determined by the board of directors, after providing for such reserves as said directors deem desirable, and the directors' determination made in good faith shall be conclusive on all persons.

Section 15. (1) The corporation shall not deposit any of its funds in any banking institution unless such institution has been designated as a depository by a vote of a majority of the directors present at an authorized meeting of the board of directors, exclusive of any director who is an officer or director of the depository so designated.

(2) The corporation shall not receive money on deposit except for purposes stated in this Act.

Section 16. The corporation shall be subject to the examination of the Commissioner of Banking, and shall make reports of its condition not less often than annually to said commissioner, who in turn shall make copies of such reports available to the Commissioner of Insurance and to the Governor. The corporation shall also furnish such other information as may from time to time be required by the Secretary of State.

Section 17. (1) The first meeting of the corporation shall be called by a notice signed by three or more of the incorporators, stating the time, place and purpose of the meeting, a copy of which notice shall be mailed, or delivered, to each incorporator at least five days before the day appointed for the meeting. Said first meeting may be held without such notice upon agreement in writing to that effect signed by all the incorporators. There shall be recorded in the minutes of the meeting a copy of said notice or of such unanimous agreement of the incorporators.

(2) At such first meeting the incorporators shall organize by the choice, by ballot, of a temporary clerk, by the adoption of bylaws, by the election by ballot of directors, and by action upon such other matters within the powers of the corporation as the incorporators may see fit. The temporary clerk shall be sworn and shall make and attest a record of the proceedings. Ten of the incorporators shall be a quorum for the transaction of business.

Section 18. (1) An annual excise tax is hereby levied on every corporation organized under this Act for the privilege of transacting business in this Commonwealth during the calendar year, according to or measured by its entire net income, as defined herein, received or accrued from all sources during the preceding calendar year, hereinafter referred to as taxable year, at the rate of four and one-half per cent of such entire net income. The minimum tax assessable to any one such corporation shall be ten dollars. The liability for the tax imposed by this section shall arise upon the first day of each calendar year, and shall be based upon and measured by the entire net income of each such corporation for the preceding calendar year, including all income received from government securities in such year. As used in this Section the words "taxable year" mean the calendar year next preceding the calendar year for which and during which the excise tax is levied.

(2) The excise tax levied under subsection (1) of this Section shall be in lieu of all intangible personal property taxes, the Corporation License Tax imposed by KRS 136.070 and the State income tax imposed by KRS 141.040. It is the purpose and intent of the General Assembly to levy taxes on corporations organized pursuant to this Act so that all such corporations will be taxed uniformly in a just and equitable manner in accordance with the provisions of the Constitution of the Commonwealth of Kentucky. The intent of this Section is for the General Assembly to exercise the powers of classi-

fication and of taxation on property, franchises, and trades conferred by Section 171 of the Constitution of the Commonwealth.

(3) On or before June 1 of each year, the executive officer or officers of each corporation shall file with the Commissioner of Revenue a full and accurate report of all income received or accrued during the taxable year, and also an accurate record of the legal deductions in the same calendar year to the end that the correct entire net income of the corporation may be determined. This report shall be in such form and contain such information as the Commissioner of Revenue may specify. At the time of making such report by each corporation, the taxes levied by this Section with respect to an excise tax on corporations organized pursuant to this Act shall be paid to the Commissioner of Revenue.

(4) The securities, evidences of indebtedness and shares of the capital stock issued by the corporation established under the provisions of this Act, their transfer, and income therefrom and deposits of financial institutions invested therein, shall at all times be free from taxation within the Commonwealth.

(5) Any stockholder, member, or other holder of any securities, evidences of indebtedness, or shares of the capital stock of the corporation who realizes a loss from the sale, redemption, or other disposition of any securities, evidences of indebtedness, or shares of the capital stock of the corporation, including any such loss realized on a partial or complete liquidation of the corporation, and who is not entitled to deduct such loss in computing any of such stockholder's, member's, or other holder's taxes to the Commonwealth shall be entitled to credit against any taxes subsequently becoming due to the Commonwealth from such stockholder, member, or other holder, a percentage of such loss equivalent to the highest rate of tax assessed for the year in which the loss occurs upon mercantile and business corporations.

Section 19. The period of duration of a corporation organized under this Act shall be 50 years.

Section 20. If a corporation organized pursuant to this Act fails to begin business within three years from the effective date of its certificate of incorporation, then said certificate shall become null and void. If, within three years from the effective date of this Act no corporation is organized pursuant to this Act, then and in that event, this Act shall become null and void.

Section 21. Under no circumstances is the credit of the Commonwealth pledged herein.

Section 22. If any provision of this Act or the application thereof to any circumstances is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 23. Whereas it is necessary to the alleviation of unemployment, the stimulation of investment and the expansion of commerce that the authority herein granted be exercised forthwith, an emergency is hereby declared to exist and this Act shall become effective upon its passage and approval by the Governor.

Committee on Criminal Law reported **HB 47, SB 124, HB 46** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 47, AN ACT relating to conveyance of Federal prisoners to courts of this state for trial of felony prosecutions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Commonwealth's attorney may enter into an agreement with representatives of the Federal Government for conveyance of a Federal prisoner to a circuit court of this state to stand trial therein on a felony charge, upon condition that such prisoner shall remain in the custody of an agent of the United States and be returned to the Federal penitentiary for completion of the term of confinement there following conclusion of the trial in the circuit court, and thereafter to be returned to this state to serve any sentence imposed here. It may also be agreed that the state will bear the expense of such conveyance. The Commonwealth's attorney shall then file in the circuit court his verified petition for writ of habeas corpus ad prosequendum stating facts as to the situation of the prisoner, the charge against him and date set for trial, the necessity of securing the prisoner for trial prior to his release to due course by Federal authorities and the terms of the agreement which has been reached with such authorities. If the court deems the petition sufficient, it shall issue the writ and if the state is required to pay the expense the writ shall designate the officer to transport and guard the prisoner and such officer shall be reimbursed from the State Treasury for expenses incurred in the amount and manner provided in KRS 64.070 (1). The circuit court shall enter an order of allowance of expenses for the officer upon conclusion of the trial.

Section 2. When a material witness for the Commonwealth in a felony prosecution pending in a court of this state is confined under judgment of conviction in any Federal penal institution, the Commonwealth's attorney may enter into an agreement with the appropriate Federal authorities for conveyance of the witness at the expense of this state to the circuit court in which the trial is pending, and after trial, for return to the Federal penitentiary. The Commonwealth's attorney shall move the circuit court for an order for the attendance of the witness and shall state the situation of the prisoner, the date set for trial of the case, the importance of his testimony to the Commonwealth, and the agreement of the Federal authorities to produce the prisoner in court. The circuit court shall designate the officer to transport and guard the prisoner and such person shall be reimbursed from the State Treasury for his expenses in the amount and manner provided in KRS 64.070 (1). The circuit court shall enter an order of allowance of expenses for the officer upon conclusion of the trial.

SB 124, AN ACT relating to summoning jurors in criminal cases from adjoining counties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 194 of the Criminal Code of Practice is amended to read as follows:

If the judge of the court be satisfied after having made a fair effort, in good faith, for that purpose, that, from any cause it will be impracticable to obtain a jury free of bias in the county wherein the prosecution is pending, he shall be authorized to order the sheriff to summon a sufficient number of qualified jurors from some adjoining county in which the judge shall believe there is the greatest probability of obtaining impartial jurors. When the sheriff is so ordered he shall go to the circuit judge of such adjoining county, if he is in the county at the time, and request the judge to draw from the jury drum a list of names sufficient in number to equal the number ordered summoned; and to record the names upon paper, certify and sign it. Whereupon the said sheriff shall summon the number ordered to be summoned from such list. If the circuit judge is not in the county at the time, then the sheriff shall select such jurors from the panels which served, and whose names appeared of record, as jurors at the previous regular term of court in such adjoining county. If the jurors who served at the preceding term are not sufficient in number to meet the number ordered summoned then the sheriff shall select the remainder from the list which served at the next to the last preceding term. From the persons so summoned the jury may be formed.

HB 46, AN ACT relating to the treatment or cure of cancer.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. For the purposes of this Act, "cancer" means all malignant neoplasms regardless of the tissue of origin, including malignant lymphoma and leukemia.

Section 2. No person, other than a licensed medical or osteopathic physician, or dentist, shall in any manner hold himself out to any other person as being able to prescribe treatment for, or cure the disease of cancer.

Section 3. No person, other than a licensed medical or osteopathic physician, or dentist, shall in any manner undertake to treat, or prescribe for the treatment of the disease of cancer.

Section 4. No person shall sell or offer to sell, or give away or offer to give away, except upon the prescription of a licensed medical or osteopathic physician, or dentist, any drug, medicine, compound, nostrum or device which is represented by the manufacturer or seller thereof to have curative powers when used in the treatment of the disease of cancer.

Section 5. (1) It shall be the duty of the Department of Health to enforce the provisions of this Act, and for that purpose the investigators, inspectors, representatives and agents of the State Board of Health and the Department of Health shall have the full power and authority of peace officers in this state, and shall have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, to interrogate all persons, and to require the production of books, papers, documents or other evidence.

(2) The Board may institute, in its own name, proceedings to enjoin and restrain violations of this Act, regardless of whether the defendant has been convicted of violation of the penal provisions thereof, and shall not be required to pay any costs or filing fees or furnish any bond in connection therewith. Violation of injunctions and restraining orders shall be punished as a contempt without the intervention of a jury, and the court's discretion concerning the degree of punishment shall not be subject to the provisions of KRS 432.260.

Section 6. Nothing contained herein shall be construed to impose any limitation upon the free exercise of religion in this state.

Section 7. Any person who violates any provision of this Act shall, upon first offense, be fined not less than $1,000 nor more than $5,000, or confined in the county jail for not less than thirty days nor more than twelve months, or both. Each subsequent violation of any provision of this Act shall constitute a felony and be punishable by a fine of not less than $3,000 nor more than $10,000, or by imprisonment in the penitentiary for not less than one nor more than three years, or both.

Committee on Criminal Law reported **HB 142** with the expression of opinion that same should pass, with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

Said Amendment is as follows:

"Amend printed copy of **House Bill No. 142**, on page 2, section 1, by deleting line 23 in its entirety and inserting in lieu thereof the following:
"exceed fifteen dollars per day for attendance upon the hearing."

HB 142, AN ACT relating to grand jury procedure.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 110 of the Criminal Code of Practice is amended to read as follows:

No person except the Commonwealth's and county attorneys and the witness under examination shall be present while the grand jury is examining a charge, and no person whatever while they are deliberating or voting on the charge, except that authority is hereby given to the Commonwealth's attorney to appoint a stenographer, who shall on order of the said Commonwealth's attorney, attend any session of the grand jury in any county of said district and be present during the examination of any witness or witnesses before the grand jury and shall make full and correct notes of the testimony of the witnesses, and, when ordered by the Commonwealth's attorney, shall transcribe same and deliver same to the Commonwealth's attorney, properly certified by said stenographer, and said transcript shall be kept by the said Commonwealth's attorney for his use; and said transcript may be introduced and used in court as competent and legal evidence for the purpose of contradicting any witness whose testimony was taken upon said hearing before said grand jury. For services said stenographer shall be paid a reasonable compensation upon an order of the circuit court, and paid by the fiscal court of the court where such services are rendered, but the compensation herein provided for shall not exceed ten dollars per session for attendance upon the hearing of said grand jury and in addition thereto for transcribing notes of said testimony the rate which shall be established for transcripts of official circuit court stenographers in that county. Said stenographer shall be required, before entering upon these duties, to qualify by taking the oath required by all officers under the Constitution of Kentucky to faithfully discharge the duties as such, and said stenographer shall further be sworn not to disclose, or make known, directly or indirectly, to any person or persons, anything that occurred, was stated or given in the evidence, or transpired, bearing upon any case or investigation before the grand jury. Said stenographer shall make out a correct and full transcript of such testimony so taken, when directed to make same by the Commonwealth's attorney, and the same shall be promptly delivered to the Commonwealth's attorney. Any person indicted by any grand jury for any crime or misdemeanor shall have a right to procure a copy of said stenographic record or any part thereof by paying the prescribed fee for said report.

Committee on Criminal Law reported **HB 90** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 90, AN ACT relating to injury to public property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 433.750 of the Kentucky Revised Statutes is amended to read as follows:

Any person who picks, pulls, digs, tears up, cuts, breaks, burns or otherwise damages any tree, shrub, flower, vine, bush or turf on the right of way of any state highway or county road or upon any land set aside, dedicated or maintained by this state as a public park or as a refuge or sanctuary for wild animals, birds or fish, or deposits, throws or leaves any trash, debris or litter upon any such public highway or public land, without having first obtained permission in writing of the engineer having charge of the maintenance of the highway, or the superintendent or custodian of the park, refuge or sanctuary shall be fined not less than ten dollars or more than one hundred dollars for each offense.

Committee on Criminal Law reported **SB 67** with the expression of opinion that same should not pass.

Committee on Courts and Legal Procedure reported **SB 126, SB 129, SB 119** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 126, AN ACT relating to attorney's fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (2) of Section 453.060 of the Kentucky Revised Statutes is amended to read as follows:

A guardian ad litem or warning order attorney shall be allowed by the court a reasonable fee for his services to be taxed as costs.

SB 129, AN ACT relating to mining regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 352.490 of the Kentucky Revised Statutes is amended to read as follows:

(1) No owner or tenant of any land containing coal shall engage in mining within five feet of the line dividing the land owned or held by him from that of another person, without the written consent of every person interested in or having title to the adjoining land in possession, reversion or remainder, or the guardians of such of those persons as are infants. The owner or tenant must also have the approval of the chief.

(2) Any person who violates subsection (1) of this section, shall be liable in the sum of five hundred dollars to the persons injured, and the persons injured may also pursue all other remedies provided by law for the recovery of damages for injury to their property.

SB 119, AN ACT relating to circuit courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The circuit court may appoint an advisory committee to advise him in domestic relations cases. The committee shall serve without salary or expenses. The court may require all persons concerned in a domestic relations proceeding to attend a hearing at which the committee is present. The committee may make recommendations, which are not binding, to the court as to the disposition of the case.

Calendar

HB 122, SB 118 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 25, SB 138, SB 139, SB 140, HB 119, HB 174, SB 121, SB 104 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

HB 173 taken from Orders of the Day and ordered read at length for the third time. Senator Kinkead moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **HB 173.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Brand, Blue, Byers, Conley, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **HB 173** was passed and the title agreed to.

House Message

Announcing passage of **HB 108, HB 109, HB 140, HB 171, HB 180, HB 186, HB 187, HB 195, HB 196, HB 216, HB 219, HB 260, HR 64, HR 65, SB 15, SB 50, SB 60,** with **House Amendments, HB 96, HB 209, HB 235, HB 236, HB 237, HB 238.**

Senator Ware moved that when the Senate adjourn, it adjourn to meet at seven p.m., February 23. Agreed.

Reference of Bills

The President announced reference of the following bills:

Judiciary and Judicial Council: **SB 173.**

Revenue and Taxation: **SB 174.**

Insurance: **HB 32.**

Ky. Statutes #2: **HB 94.**

Administrative Agencies: **HB 106.**

Senator Ware moved that the Senate do now adjourn until seven p.m., February 23. Agreed.

TUESDAY, FEBRUARY 23, 1960

THIRTY-NINTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Father Joseph A. O'Dwyer of the Good Shepherd Church of Frankfort.

The roll was called. All were present.

Reading of the Journal for February 19 dispensed with and the same approved on motion of Senator Richmond.

House Message

Announcing passage of **HB 88, HB 103, HB 146, HB 153, HB 155, HB 162, HB 172, HB 183, HB 220, HB 160, HB 290, HB 211, HB 207, HB 19, HB 223, HB 247.**

Motions

Senator Ware moved that the Senate take up House Amendment to **SB 60.** Agreed.

Senator Ware moved that the Senate concur in the House Amendment #1 to **SB 60.** Agreed.

"On page 2, section 2 (a), line 30 by inserting the following after the letter (a): "Adjutant General, Commissioner of Alcoholic Beverage Control, Executive Director of the State Tuberculosis Sanatoria Commission."

Senator Ware moved that the Senate concur in the House Amendment #2 to **SB 60.** Agreed.

"On page 2, section 2 (b), line 38-45 by deleting "Adjutant General" on line 38; by deleting "Commissioner of Alcoholic Beverage Control" on lines 40 and 41; and by deleting "Executive Director of the State Tuberculosis Sanatoria Commission" in lines 43, 44 and 45."

Senator Ware moved the Previous Question on **SB 60** as amended.

On the roll call, the vote was: Yeas 29—Bishop, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, White. Nays 4—Bassett, Byers, Hamilton, Richmond. Senate concurred in House amendments to **SB 60.**

Introduction of Bills and Resolutions

SR 35 by Senator Overbey: A RESOLUTION honoring Miss Janet Like, of Kirksey, Kentucky. Senator Overbey moved the adoption of **SR 35.** Agreed.

SR 35, A RESOLUTION honoring Miss Janet Like, of Kirksey, Kentucky.

WHEREAS, the Senate recognizes that the feminine population of the Commonwealth of Kentucky have always been recognized as the most beautiful women of the world; and

WHEREAS, the masculine population of this Commonwealth have always recognized that the feminine population is endowed with remarkable culinary abilities as well as great beauty, but that this fact has not heretofore been demonstrated outside the Commonwealth to the same degree; and

WHEREAS, Miss Janet Like has demonstrated to the world the culinary abilities of Kentucky women by baking the best cherry pie in the southern region of the 1960 National Cherry Pie Baking Contest; and

WHEREAS, in winning the Southern Regional of the National Cherry Pie Baking Contest Miss Like has furthered the glory of this Commonwealth, Calloway County and the town of Kirksey and has reflected great honor on her parents and on her school;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Miss Janet Like be, and she hereby is extended the congratulations and best wishes of the Senate of the Commonwealth of Kentucky upon her superlative achievement.

Section 2. That Miss Like's parents be, and they hereby are, extended the congratulations of the Senate of the Commonwealth of Kentucky for their part in Miss Like's victory.

Section 3. That Kirksey High School be, and it hereby is, extended the congratulations of the Senate for its part in Miss Like's triumph.

Section 4. That the Clerk of the Senate cause copies of this resolution to be sent to Miss Janet Like, her parents, and Kirksey High School.

SR 36, by Senator Johnson: A Resolution petitioning the Congress of the United States to give favorable consideration to legislation providing benefits for Veterans of World War I; and for other purposes.

SB 177, by Senator McCann: AN ACT relating to the driving of vehicles upon the public highway while under the influence of various drugs.

SB 178, by Senator Kelly: AN ACT relating to policemen's and firemen's pension funds.

SB 179, by Senator Francis: AN ACT relating to oil and gas leases.

SB 180, by Senators Francis and Ware: AN ACT repealing section 381.220 of the Kentucky Revised Statutes and substituting the common law rule against perpetuties with certain modifications.

SB 181, by Senators Jackson, McCann, Francis, C. S. Howard, Brand, Bonn, Kidwell, Logan and White: AN ACT relating to publication of notices.

SB 182, by Senator Ware: AN ACT relating to Social Security for public officers and employes.

SB 183, by Senator Ware: AN ACT to amend the Uniform Principal and Income Act.

SB 184, by Senator Kinkead: AN ACT relating to newspaper publications for the purpose of legal notice or advertisement; including provisions to govern publications required by law to be made, and requiring certain matters to be published.

SB 185, by Senator Kinkead: AN ACT relating to the selection of jurors for police courts in counties containing cities of the second class.

SB 186, by Senator Hehl: AN ACT making it unlawful for the fiscal court of any county to initiate, carry out or assist any financing of any services which are not extended to the county as a whole.

SB 187, by Senator Richmond: AN ACT relating to revision, codification and publication of city ordinances.

SB 188, by Senators Melton, Bassett, Hamilton, C. H. Davis, Kinkead, Jackson, Young and Duffy: AN ACT relating to the lending of money, amending Section's 360.020 and 289.185 of the Kentucky Revised Statutes.

SB 189, by Senator Logan: AN ACT to provide for the taxation of lessees and users of tax exempt property.

SB 190, by Senator Hamilton: AN ACT relating to expenditure of rural highway funds.

SR 37, by Senator Blake: A CONCURRENT RESOLUTION memorializing Congress to return to the Commonwealth of Kentucky certain moneys.

SR 38, by Senator Blake: A CONCURRENT RESOLUTION memorializing Congress to reduce the tax rate on cigarettes by fifty cents per thousand cigarettes.

Report of Committees

Committee on Ky. Statutes #1 reported **SB 153, SB 159, SB 150, SB 149, SB 148** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 153, AN ACT amending Section 212.710, Kentucky Revised Statutes, relating to State aid for city-county health departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 212.710 of the Kentucky Revised Statutes is amended to read as follows:

Any city-county department of health established under KRS 212.350 or 212.640 shall be entitled to the same State aid as is provided for county and district health departments under KRS 212.120, upon notice of the establishment of the department being given to the State Board of Health as provided in KRS 212.120.

SB 159, AN ACT relating to the Department of Insurance, amending Kentucky Revised Statutes, Section 304.484.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 304.484 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Custodian of Insurance Securities shall be appointed by the Governor, in accordance with laws governing other executive appointments. He shall receive a monthly salary to be fixed by the Governor in accordance with the provisions of KRS 64.640, but to be paid out of custodial expense funds provided by insurers pursuant to KRS 304.503.

(2) The custodian shall receive in his official capacity, all deposits made with him pursuant to this code.

(3) The custodian shall be available at all reasonable times in the branch office of the Department of Insurance, maintained in a city of the first class.

SB 150, AN ACT relating to metropolitan sewer districts and the acquisition of lands or interest therein or personal property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 76.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) The district shall have the power to acquire by purchase, gift or eminent domain proceedings, the fee, or such right, title, interest or easement, in such lands as may be deemed by the district necessary for any of the purposes mentioned in this Chapter, whether within or without the district and any personal property necessary for the purposes of the district. Such lands or interest therein, or personal property may be so acquired whether or not the same are owned or held for public use by corporations, associations, or other persons

having the power of eminent domain, or otherwise held or used for public purposes. Forthwith upon the acquisition of any such fee, right, title, interest or easement, or personal property, the same shall be and become dedicated to the uses and purposes of the district.

(2) The method of condemnation of such property shall be (a) as provided in KRS 416.120, (b) as provided in KRS 76.080 (6), or (c) as provided in KRS 416.230 to 416.310 inclusive or as hereinafter provided.

(3) When a metropolitan sewer district has filed a proceeding to condemn land or any interest therein or personal property, pursuant to the provisions of KRS 416.230 to 416.310, and the board of such district shall determine that the necessity for procuring possession of the property is urgent, it may pass a resolution, at the time that said condemnation is authorized or at any time thereafter for a declaration of taking, declaring that said lands are to be taken for the use of a metropolitan sewer district.

Said declaration of taking shall contain, or have annexed thereto, the following:

(a) A statement of the authority under which and, the public use for which, said lands are taken;

(b) A description of the lands taken sufficient for identification thereof;

(c) A statement of the estate or interest in said lands taken for said public use;

(d) A plat showing the lands taken.

(4) At any time after the report of the commissioners has been made, the metropolitan sewer district may file said declaration of taking and make a deposit with the clerk of the court of the sum of money stated in the award of the commissioner appointed. Title to said lands in fee simple or such lesser estate as is specified in said declaration or to said personal property shall then vest in such metropolitan sewer district, and the right to just compensation for said land or interest therein or personal property shall vest in the persons entitled thereto. Said compensation shall be ascertained and awarded in said proceeding as otherwise provided in KRS 416.230 to 416.310 inclusive.

SB 149, AN ACT relating to finance and revenue of cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Chapter 91 of the Kentucky Revised Statutes is amended by adding thereto the following section.

If the city has by ordinance elected to use the annual county assessment for property situated within such city as provided in KRS

132.285, the city nevertheless may designate by ordinance an officer to make retrospective assessments authorized by KRS 91.370. All rights conferred and duties imposed on the assessor by the statutes governing retrospective assessments and review thereof shall be exercised insofar as applicable by the officer so designated by ordinance. All complaints filed against such retrospective assessments shall be reviewed by a board of equalization established pursuant to KRS 91.390, but such board shall convene only at the request of the mayor.

SB 148, AN ACT relating to metropolitan sewer districts and the construction of sewage and drainage facilities and appurtenances at the cost of benefited property, and for connections to existing sewers, and amending Chapter 76 Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Section 76.090 (1) Kentucky Revised Statutes be amended and revised to read as follows: (1) Upon taking and assuming control of such existing sewer and drainage systems the district is authorized to establish a schedule of rates, rentals, and charges, to be collected from all the real property served by the facilities of such district, and to prescribe the manner in which and time at which such rates, rentals, and charges are to be paid, and to change such schedule from time to time as the district may deem necessary, advisable or expedient. Such schedule may be based upon either, (a) the consumption of water on premises connected with such facilities, taking into consideration commercial and industrial use of water; or (b) the number and kind of plumbing fixtures connected with such facilities; or (c) the number of persons served by such facilities; or (d) may be determined by the district on any other basis or classification which the district may determine to be fair and reasonable, whether similar or dissimilar to those enumerated; or (e) any combination thereof. This schedule may include additional charges for treatment of sewage, with a surcharge where the sewage contains industrial wastes or other wastes in excess of limitations established by regulations of the district.

Section 2. That Section 76.171 Kentucky Revised Statutes be amended and revised to read as follows:

Where adequate sanitary sewers, combined sewers, drains, appurtenances, or property service connections have not been constructed in any territory annexed to a city of the first class since July 1, 1946, the city legislative body may, by ordinance, on recommendation of the board of the metropolitan sewer district, which includes such city, construct sanitary sewers, combined sewers, drains, appurtenances or property service connections within such territory, to connect with the city sewerage or drainage system, at the cost of the area benefited.

Section 3. That Section 76.172 Kentucky Revised Statutes be amended and revised to read as follows:

(1) The ordinance providing for the construction of sewerage or drainage facilities and appurtenances shall describe the nature and kind of facilities to be furnished and shall describe the particular area benefited by said sewerage or drainage facilities.

(2) The costs of the sanitary sewers, combined sewers, drains, and appurtenances shall be assessed against the land in said benefited area according to the number of square feet in any lot or tract within the area described in the ordinance, but on any sewer or drain greater in size than ten (10) inches in diameter, the percentage of cost to be paid by the owners of property in said assessment area shall not be greater than the estimated cost of a sewer ten (10) inches in diameter on the same slope, at the same depth, and of the same materials as the sewer or drain constructed. The rate of apportionment shall be the same for each square foot of land in said benefited area, and shall be determined by dividing the cost of the assessable sanitary sewers, combined sewers, drains and appurtenances by the total area of all land benefited in the area.

(3) The costs of property service connections from the sewer to the property line or easement line as required shall be assessed against the individual lots or tracts to which such property service connections are furnished. The costs to be assessed for the property service connections shall be fixed by regulation of the metropolitan sewer district based on its experience of costs for such work.

(4) All land included in said described territory shall be assessed, except such property dedicated to use for public roadways and property owned by cities of the first or second class, counties containing cities of the first or second class, and any joint agencies of such cities and counties.

(5) When the board of a metropolitan sewer district determines that such construction of sanitary sewers, combined sewers, drains, appurtenances or property service connections at the cost of the property owners shall be recommended to the board of aldermen of a city of the first class, the metropolitan sewer district shall cause its engineering department to prepare complete drawings and specifications for the work and to keep same available for inspection in its offices.

(6) The actual construction work of the sanitary sewers, combined sewers, drains, appurtenances or property service connections constructed pursuant to such ordinance shall be done by, or under the control of, the metropolitan sewer district.

The cost of the sanitary sewers, combined sewers, drains, appurtenances or property service connections shall include not only the actual construction costs and the costs of any easements required for the sewers, but also costs of surveys, designs, plans, specifications, advertising, inspection and administration; however, these costs other than actual construction costs and costs of easements shall not exceed fifteen per cent of the actual construction costs of the project. The costs of surveys, designs, plans, specifications, advertising, inspection and administration, but not exceeding a total of fifteen (15) per cent of the actual construction costs and the cost of any easements shall be paid by the contractor to the metropolitan sewer district at the completion of the work so that such costs may be included in the apportionment warrants.

(7) A lien superior to all liens except the liens for state, county, city, school and road taxes and liens prior in time for other public improvements shall exist against the respective lots or tracts of land for the cost of the sanitary sewers, combined sewers, drains, appurtenances or property service connections for apportionment as hereinafter provided for, and interest thereon at the rate of six per cent per annum.

(8) No error in the proceedings of the city legislative body shall exempt such property from payment after the work has been done as required by either the ordinance or contract, but the city legislative body, or the courts in which suits shall be proceeding, shall make all corrections, rules and orders to do justice to all parties concerned. In no event, if the sanitary sewers, combined sewers, drains, appurtenances or property service connections are constructed as provided, by ordinance or contract, shall the city or the metropolitan sewer district be liable for the costs of the sanitary sewers, combined sewers, drains, appurtenances or property service connections without the right to enforce such costs against the property receiving the benefit.

(9) Upon completion and acceptance of the sewer facility constructed, the metropolitan sewer district shall make out all apportionment warrants for which liens are given for improvements of sewer facilities and shall immediately enter them in alphabetical order upon a register kept for that purpose. When the holder of the warrant has obtained payment, he shall notify the metropolitan sewer district and it shall mark upon the register the fact of payment.

(10) The lien shall exist from the date of the apportionment warrant, but a lien shall not be valid against a purchaser for a valuable consideration without notice, unless the apportionment warrant is entered and registered within ten days of its issuance.

(11) After any sewer facilities have been constructed in conformity with this section the metropolitan sewer district shall give notice by one publication in a newspaper of general circulation in the city of the costs apportioned, and the amounts assessed and levied on the various tracts of land liable for the payment. (1952, c. 69, 2; 1956, c. 61; effective May 18, 1956).

Committee on Municipalities reported **HB 98** with the expression of opinion that same should not pass.

Calendar

SB 58, SB 155, HB 47, SB 124, HB 46, HB 142, HB 90, SB 126, SB 129, SB 119 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 138, SB 139 taken from Orders of the Day. Senator Duffy moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Senator Hehl moved that **SB 25** be laid on the Clerk's desk. Agreed.

SB 140 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only.

Senator Duffy moved the adoption of Amendment #1 to **SB 140.** Agreed.

Amend printed copy of **SB 140** on page 1, section 1, line 4 by inserting the word "any" between the words "subdivide land," and adding after the word "land" the words "in which streets are created to give access to newly created lots."

Senator Duffy moved the Previous Question on **SB 140** as amended. Agreed.

On the roll call, the vote was: Yeas 36—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 140** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 140** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 15, SB 41, SB 50** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 119 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 119.** Agreed.

On the roll call, the vote was: Yeas 38—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 119** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 119** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 174 taken from Orders of the Day and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

On the roll call, the vote was: Yeas 37—Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Bassett. **HB 174** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 174** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 121 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 104 taken from Orders of the Day and ordered read at length for the third time. Senator Hamilton moved that it be read by title only. Agreed.

Senator Hamilton moved the Previous Question on **SB 104.** Agreed.

On the roll call, the vote was: Yeas 38—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 104** was passed and the title agreed to.

Senator Hamilton moved that the vote by which **SB 104** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 122 taken from Orders of the Day and ordered read at length for the third time. Senator McCann moved that it be read by title only. Agreed.

Senator McCann moved the Previous Question on **HB 122.** Agreed.

On the roll call, the vote was: Yeas 22—Bishop, Blake, Bonn, Byers, Conley, Craft, Derickson, Duffy, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kinkead, Logan, Martin, McCann, Overbey, Raney, Richmond, White, Young. Nays 10—Bassett, Brand, Blue, C. H. Davis, Francis, Garnett, Kelly, Kidwell, Melton, Miller. **HB 122** was passed and the title agreed to.

Senator McCann moved that the vote by which **HB 122** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 118 taken from Orders of the Day with Committee Substitute attached thereto, and ordered read at length for the third time. Senator Conley moved that it be read by title only. Agreed.

Senator Conley moved the adoption of Committee Substitute to **SB 118.** Agreed.

Senator Conley moved the adoption of Amendment #1 to **SB 118.** Agreed.

Amend printed copy of Committee Substitute for **SB 118** on page 3, section 2, sub (4), line 44, by deleting after the word "apprentices" the words "upon public works" and inserting in lieu thereof the words "engaged in the construction of public works."

Senator Conley moved the Previous Question on **SB 118** as amended. Agreed.

On the roll call, the vote was: Yeas 18—Brand, Blue, Bonn, Conley, Craft, Mrs. J. H. Davis, Derickson, Francis, Hehl, C. S. Howard, Johnson, Martin, McCann, Melton, Miller, Overbey, Raney, Ware. Nays 14—Bassett, Bishop, Byers, C. H. Davis, Duncan, Hamilton, Hickerson, Jackson, Kelly, Kidwell, Kinkead, Logan, Richmond, Young. **SB 118** was passed and the title agreed to.

Senator Conley moved that the vote by which **SB 118** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Byers requested and received unanimous consent of the Senate for the Journal of February 17 to be corrected to show that he was present and voted in the affirmative on **HB 166.**

Reference of Bills

The President announced reference of the following bills:

Constitutional Amendments: **SB 175.**
Municipalities: **SB 176, HB 109, HB 216.**
Courts and Legal Procedure: **HB 96, HB 186, HB 187, HB 196.**
Labor and manufacturing: **HB 108.**
Library and Historical Records: **HB 140.**
Judiciary and Judicial Council: **HB 171.**
Appropriations: **HB 180.**
Revenue and Taxation: **HB 195, HB 260.**
Criminal Law: **HB 209.**
Ky. Statutes #2: **HB 219.**
Ky. Statutes #1: **HB 235, HB 236, HB 237, HB 238.**

Senator Ware moved that the Senate do now adjourn until twelve noon, February 24. Agreed.

WEDNESDAY, FEBRUARY 24, 1960

FORTIETH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Right Reverend Monsignor Joseph A. O'Dwyer of the Good Shepherd Church of Frankfort.

The roll was called and all were present.

Reading of the Journal for February 23 dispensed with and the same approved on motion of Senator McCann.

Motions

Senator D. W. Howard moved that the Senate go into a committee as a whole for hearing on **SB 155.** Agreed.

President Pro Tem, Senator Kidwell, presiding.

Senator Young moved that the Senate arise and give a vote of thanks for the explanation of **SB 155** by Lieutenant Governor Wyatt. Agreed.

President resumes the chair.

Senator Logan moved, seconded by Senator Young, that **SR 7** be taken from the Committee on Administrative Agencies and read into the Calendar.

Senators Richmond and Kelly requested a roll call on the previous motion.

On the roll call, the vote was: Yeas 4—Hickerson, Logan, McCann, Raney. Nays 21—Bassett, Bishop, Blake, Bonn, Byers, Conley, Craft, C. H. Davis, Duffy, Duncan, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Jackson, Johnson, Kelly, Martin, Overbey, Richmond. Motion to read **SR 7** into Calendar was rejected.

Senator Hehl moved, seconded by Senator McCann, that **HB 98** be read into the Calendar, the report of the Committee to the contrary notwithstanding on February 23.

Senator Kidwell moved, seconded by Senator Logan, that the motion of Senators Hehl and McCann be tabled.

Senators Richmond and Blake requested a roll call on the previous motion.

On the roll call, the vote was: Yeas 7—Bassett, Bonn, Duffy, Duncan, Garnett, Kinkead, Logan. Nays 14—Blake, Blue, Byers, C. H. Davis, Mrs. J. H. Davis, Derickson, Hehl, Hickerson, Johnson, McCann, Melton, Overbey, Richmond, Young. Motion to table motion was rejected.

Senators Hehl and Richmond requested a roll call on the motion of Senators Hehl and McCann to read **HB 98** into the Calendar.

On the roll call, the vote was: Yeas 19—Bishop, Blake, Brand, Blue, Byers, C. H. Davis, Mrs. J. H. Davis, Derickson, Hehl, Hickerson, Jackson, Johnson, McCann, Melton, Overbey, Raney, Richmond, White, Young. Nays 9—Bassett, Bonn, Duffy, Duncan, Garnett, Kelly, Kidwell, Kinkead, Logan. Motion to read **HB 98** into the Calendar was passed.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 60** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Introduction of Bills

SB 191, by Senator Blue: AN ACT relating to the contracting for the sale or purchase of real estate by a person eighteen (18) years of age, etc.

SB 192, by Senator McCann: AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to lotteries and gift enterprises.

SB 193, by Senator Melton: AN ACT relating to insurance.

SB 194, by Senator Blake: AN ACT relating to motor vehicle operator's licenses.

Report of Committees

Committee on Judiciary and Judicial Council reported **SB 173** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 173, AN ACT relating to the Judicial Department of the State Government; including provisions for judicial administration; financial administration and facilities of the Court of Appeals; compensation of Commissioners; and a retirement system for Judges and Commissioners of the Court of Appeals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

ARTICLE I.

Sec. 1. An Administrative Office of the Courts is created, to be headed by a Director who shall be appointed by and hold office during the pleasure of the Court of Appeals, which court also may appoint necessary employes of the office. The salaries of the Director and employes shall be fixed by order of the Court of Appeals and paid monthly out of the State Treasury. While holding their positions neither the Director nor any employe of the office shall practice law in any court of this Commonwealth.

Sec. 2. The Director, under the supervision and direction of the Court of Appeals, shall:

(1) Perform administrative services for the Court of Appeals and supervise its clerical and administrative personnel, and its accommodations.

(2) Act as fiscal officer of the courts and in so doing shall:

(a) Maintain fiscal controls and accounts of funds appropriated for the Court of Appeals.

(b) Prepare all requisitions for the payment of state moneys appropriated for the maintenance and operation of the judicial system.

(c) Prepare budget estimates of state appropriations necessary for the maintenance and operation of the judicial system and make recommendations in respect thereto.

(d) Collect statistical and other data and make reports to the Court of Appeals relating to the expenditure of public moneys, both state and local, for the maintenance and operation of the judicial system and the offices connected therewith.

(3) Maintain suitable records of the assignment and disposition of matters submitted to the Court of Appeals, and of opinions and orders.

(4) Process motions in the Court of Appeals for expeditious disposition.

(5) Ascertain the necessity for assignment of special circuit judges, make reports concerning the performance of duties by special circuit judges, and certify the compensation and expenses payable to special circuit judges.

(6) Carry on a continuous survey and study of the organization, operation, condition of business, practice and procedure of the state judicial system.

(7) Collect and compile statistical and other data concerning the operations of the courts, and to this end may require all necessary reports from the courts and clerks thereof of this Commonwealth relating to rules, dockets, and business dispatched or pending in such courts. Clerks of courts shall make to the Director any reports required by him and shall receive fifty cents for each page reported, to be paid as an expense of the Administrative Office.

(8) Act as secretary of the Judicial Council and the Judicial Conference.

(9) Attend to such other matters as may be assigned by the Court of Appeals.

(10) Formulate and submit to the Court of Appeals recommendations of policies for the improvement of the judicial system.

Sec. 3. Section 22.080 of the Kentucky Revised Statutes is amended to read as follows:

It shall be the duty of the Judicial Council to:

(1) Receive and consider suggestions from judges, public officers, members of the Bar and others, and hold public hearings in its discretion, on matters relating to improvement in the administration of justice.

(2) Devise ways of simplifying judicial procedure, expediting the transaction of judicial business, and correcting faults in judicial administration.

(3) Submit from time to time to the courts and judges of this Commonwealth, either upon request or on its own motion, such recommendations as it may deem advisable for changes in rules, procedure, methods of administration, or other matters pertaining to the judicial system.

(4) Report annually before November 1 to the Judicial Conference and the Court of Appeals on the conditions of business in the courts, with recommendations concerning any needed changes in the organization of the judicial department, judicial procedure and the general improvement in the administration of justice.

(5) Report biennially to the General Assembly concerning the work of the various branches of the judicial system in Kentucky, and make such recommendations for the improvement in judicial administration, practice and procedure as it deems necessary and proper.

Sec. 4. Section 21.220 and subsection (2) of Section 22.100 of the Kentucky Revised Statutes are repealed.

Sec. 5. The appropriations made to the Judicial Council for the fiscal years 1960-61 and 1961-62 hereby are transferred and added to the appropriations for the Court of Appeals for said years. The necessary expenses of the Judicial Council and the Judicial Conference, as authorized by KRS Chapter 22, shall be paid out of the amounts so transferred upon the approval of the Director of the Administrative Office.

Sec. 6. On the first day of each fiscal year, the entire amount appropriated for the year for normal recurring operating costs of the Court of Appeals, including salaries, shall be placed to the credit of an expenditure account in the office of the State Treasurer, and expenditures shall be made therefrom by the State Treasurer solely upon order of the Court of Appeals, without other warrant or authorization. None of the provisions of KRS Chapters 41, 42 and 45, nor of Part IV of the General Appropriation Act, shall apply to the expenditure of appropriations for the Court of Appeals.

Sec. 7. The Court of Appeals shall have sole direction of the rendering of custodial and housekeeping services for the court rooms and offices of the court, and may employ personnel and secure supplies and equipment for that purpose. The Commissioner of Finance shall have authority to transfer funds for this purpose for any fiscal year to the Court of Appeals expenditure account referred to in Section 6 of this Article, from the amount appropriated for that year to the Division of Services of the Department of Finance.

ARTICLE II.

Sec. 1. Section 64.496 of the Kentucky Revised Statutes is amended to read as follows:

The compensation of Judges of the Court of Appeals, payable out of the State Treasury, shall be $12,000 per annum for each judge. The compensation of Commissioners of the Court of Appeals appointed pursuant to subsection (1) of KRS 21.150 shall be $11,500 per annum for each Commissioner, payable out of the State Treasury.

ARTICLE III.

Sec. 1. There hereby is created a retirement system for Judges and Commissioners of the Court of Appeals. Each Judge and Commissioner in office on July 1, 1960, except as provided in Section 17 of this Article, and each Judge and Commissioner thereafter taking office, may acquire membership in the System in accordance with the provisions of Section 2 of this Article.

Sec. 2. Each Judge and Commissioner in office on July 1, 1960, may within 30 days after that date, and any Judge or Commissioner thereafter taking office may within 30 days after taking office, elect to make monthly contributions to the retirement system in an amount equal to three percent of his monthly official salary. The election shall be effective to establish membership in the system as of July 1, 1960, or as of the date the Judge or Commissioner took office, as the case may be. The election shall be addressed to and filed with the Commissioner of Finance, and shall constitute an authorization by the member, to the Commissioner of Finance, to thereafter cause to be deducted from the member's official salary, each month, an amount equal to three percent of the monthly salary, as a voluntary contribution by the member towards the funding of the retirement system. Such election, upon being made, shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under the terms and conditions of this Article.

Sec. 3. Except as provided in subsection (2) of Section 7 of this Article and in subsection (2) of Section 8 of this Article, no benefits shall be payable under this Article to any Judge or Commissioner, or to his widow or children, unless he has completed at least eight years of service as a Judge or Commissioner of the Court of Appeals or in one and then the other of those capacities.

Sec. 4. The normal retirement date or age of a member shall be his seventieth birthday, except that in the case of a member who was over 60 years of age when he took office as a Judge or Commissioner the normal retirement date or age shall be the tenth anniversary of his becoming a member. This Article, however, does not require that a member retire at the normal retirement date.

Sec. 5. For the purposes of this Article, "retirement" means a voluntary resignation or a failure of reelection, but does not include a removal for cause.

Sec. 6. (1) A member who retires on or after his normal retirement date shall receive a service retirement allowance, payable monthly during his lifetime, in an amount per month equal to five percent of his final compensation multiplied by the number of years of service as a Judge or Commissioner of the Court of Appeals (including service before becoming a member of the system), but in no event to exceed 100 percent of final compensation. For this purpose, "final compensation" means the average monthly compensation of the member for the 60 months of service as a Judge or Commissioner immediately preceding his retirement.

(2) A member who retires before his normal retirement date shall be vested with the right to receive, when he reaches his normal retirement age, a service retirement allowance computed and payable in accordance with the provisions of subsection (1) of this section, on the basis of the number of years of his actual service as a Judge or Commissioner.

(3) In lieu of the right provided for in subsection (2) of this section, a member who retires before his normal retirement age may elect, at any time before reaching his normal retirement age, to be paid commencing as of the time of the election a monthly service retirement allowance equal in amount to the monthly allowance that would have become payable under subsection (2) of this section when he reached his normal retirement age, reduced actuarially in accordance with his actual age at the time the election is made. Provided, further, that an elected Judge who retires at the expiration of his term of office after having served a minimum of ten years as Judge and who is over the age of 65 at the time of retirement shall have the option of commencing to receive at once a monthly service retirement allowance equal to the monthly allowance that would have become payable under subsection (2) of this section when he reached his normal retirement age.

Sec. 7. (1) If upon examination of a member under his normal retirement age by one or more qualified physicians employed by the Retirement Board, it is certified to the satisfaction of the Board that such member is so physically or mentally disabled as to be incapacitated for further performance of duty, and that such incapacity is likely to be permanent, the member may retire for disability. A member who so retires shall be entitled to receive commencing immediately a disability retirement allowance, payable monthly during his disability, in an amount equal to one-half of the monthly service retirement allowance he would have received commencing at his normal retirement date if he had continued in service until that date and had then retired, computed however on the basis of his final compensation at time of actual retirement.

(2) A member need not have completed eight years of service in order to be eligible for benefits under subsection (1) of this section.

(3) The Retirement Board shall cause a member who has been retired for disability and who is still under his normal retirement age to undergo periodic examination by one or more qualified physicians employed by the board, to determine whether he continues to be incapacitated for service of the character required of a Judge or Commissioner. If upon any such examination it is certified to the satisfaction of the board that the member is no longer so incapacitated, or if the member refuses to submit to examination, the board shall terminate his disability retirement allowance. He shall then be entitled to such rights, if any, under subsection (2) or (3) of Section 6 of this Article as he would have been entitled to had he voluntarily retired on the date he was retired for disability.

(4) Upon reaching his normal retirement age, a member who has been receiving a disability retirment allowance may apply for and receive, in lieu thereof, the service retirement allowance he would have been entitled to receive at normal retirement age had he voluntarily retired on the date he was retired for disability.

Sec. 8. (1) After the death of a member who at the time of his death was receiving a service retirement allowance (other than an actuarially reduced allowance under subsection (3) of Section 6 of this Article), or was receiving a disability retirement allowance, his widow is entitled to receive during her lifetime a monthly allowance equal to one-half of that he was receiving.

(2) (a) If a member dies before retirement and before reaching normal retirement age, without regard to length of service, his widow is entitled to receive during her lifetime a monthly allowance equal to one-half of the monthly allowance the member would have received commencing at his normal retirement date if he had continued in service until that date and had then retired, computed however on the basis of his final compensation at time of death.

(b) If a member dies before retirement and after reaching normal retirement age, his widow is entitled to receive during her lifetime a monthly allowance equal to one-half of the monthly allowance the member would have been entitled to, on the basis of his years of service, had he retired on the date of his death.

(3) If a member dies after retirement and was at the time of his death receiving an actuarially reduced allowance under subsection (3) of Section 6 of this Article, or was not at the time of his death receiving a retirement allowance but had acquired the vested right under subsection (2) of Section 6 of this Article to have received an allowance upon reaching normal retirement age, his widow is entitled to receive during her lifetime a monthly allowance equal to one-half of the monthly allowance the member would have received when he reached normal retirement age.

(4) In any circumstance in which a widow would be entitled to an allowance under this section, but there is no widow or the widow subsequently dies, and there is a surviving child or children of the member under the age of 18, a monthly allowance equal to three-fourth of the monthly allowance that the widow would have received shall be paid to the representative of such child or children until the youngest child reaches the age of 18.

Sec. 9. A Judicial Retirement Board is created to consist of five members, three of whom shall be appointed by the Court of Appeals and two by the Governor. The apointments by the Court of Appeals may be from among the Judges and Commissioners of the Court of Appeals. The members shall serve for terms of four years, commencing as of the effective date of this Act, and until their successors are appointed and have qualified. The members shall annually elect a chairman. They shall serve without compensation. Vacancies shall be filled by the original appointing authority, for the unexpired term.

Sec. 10. The Judicial Retirement Board shall:

(1) Be charged with the administration of this Article, and for that purpose may make reasonable rules and regulations.

(2) Provide for the funding of the benefits provided for by this Article, including the adoption of actuarial methods and assumptions upon the advice of a competent actuary who may be employed for that purpose.

(3) Pass upon questions of eligibility, and maintain suitable records for that purpose.

(4) Pass upon questions of disability, and employ examining physicians for that purpose.

Section 11. The benefits provided by this Article to be paid shall be funded through contract with a reputable life insurance company authorized to do business in this state, or through investment and reinvestment of funds in securities which, at the time of making the investment, are by law permitted for the investment of funds by fiduciaries in this state, or through a combination of such methods. To the extent that funding is provided through insurance contract no contributions, payments or premiums shall be subject to any tax on insurance premiums or annuity considerations. The Judicial Retirement Board shall be trustee of any and all funds contributed or appropriated to the retirement system, and shall have sole authority to make insurance contracts or investments. The State Treasurer shall be the custodian of the cash and securities of the system, and shall be responsible on his official bond therefor.

Sec. 12. If any member of the system ceases to be a Judge or Commissioner of the Court of Appeals, other than by death or by disability retirement under Section 7 of this Article, without having completed eight years of service, he shall be refunded, on demand, the amount of his accumulated contributions.

Sec. 13. All retirement allowances and other benefits accrued or accruing to any person under the provisions of this Article are hereby exempted from any state, county or municipal tax, and shall not be subject to execution, attachment, garnishment or any other process whatsoever, nor shall any assignment thereof be enforceable in any court.

Sec. 14. It is hereby declared that in consideration of the contributions by the members, and in further consideration of benefits received by the state through the inducement of qualified and experienced Judges and Commissioners to continue in service, this Article shall constitute an inviolable contract of the Commonwealth, and the rights and benefits provided therein shall not be subject to reduction or impairment by alteration, amendment or repeal.

Sec. 15. Except as provided in Section 17 of this Article, any existing membership of Judges and Commissioners of the Court of Appeals in the Kentucky Employees Retirement System provided for in KRS 61.510 to 61.700 shall terminate as of July 1, 1960, and the amounts of their accumulated contributions shall be refunded. Thereafter no Judge or Commissioner of the Court of Appeals shall have membership in the Kentucky Employees Retirement System.

Sec. 16. KRS 21.151 and subsection (2) of KRS 21.150 are repealed.

Sec. 17. This Article shall not apply to any Judge or Commissioner of the Court of Appeals who is more than 70 years of age on July 1, 1960. Such Judge or Commissioner shall continue to be governed by the provisions of KRS 61.510 to 61.700. The Court of Appeals shall provide for such additional retirement benefits with respect to such Judge or Commissioner, as will make the total benefits the equivalent of those that would have been received under the provisions of this Article.

Sec. 18. For the purposes of this Article there is appropriated to the Judicial Retirement Board all sums received from contributions of members of the retirement system created by this Article. There further is appropriated, out of the General Expenditure Fund in the State Treasury, the sum of $53,600 for the fiscal year 1960-61 and the sum of $73,600 for the fiscal year 1961-62. The amount of accumulated state employer contributions to the Kentucky Employees Retirement System, on account of Judges and Commissioners of the Court of Appeals having been members of that system, also is hereby transferred to the Judicial Retirement Board. All sums appropriated or transferred to the Judicial Retirement Board shall be deemed to constitute a continuing fund which shall not lapse at the end of any fiscal year.

ARTICLE IV.

Sec. 1. This Act shall become effective on July 1, 1960, except as to Sections 9, 10 and 11 of Article III, which shall become effective on the regular effective date for Acts of the 1960 General Assembly.

Committee on Banks and Banking reported **SB 163** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 163, AN ACT relating to investments in securities of federal housing agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 386.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) Banks, trust companies, insurance companies, building and loan associations, credit unions, executors, administrators, trustees or others acting in a fiduciary capacity, trust funds, and other financial institutions, originating mortgagee institutions, and other institutions approved as mortgagees and meeting otherwise the requirements of the Federal Housing Administration to act as mortgagees under that agency's approval program, subject to the laws of this state, may:

(a) Make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for credit insurance by the Federal Housing Administrator, and may obtain such insurance.

(b) Make such loans secured by real property or leasehold, as the Federal Housing Administrator insures or makes a commitment to insure, and may obtain such insurance.

(c) Invest their funds, eligible for investment, in notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator, and in debentures issued by the Federal Housing Administrator, and also in securities issued by National Mortgage Associations.

Section 2. (2) This state and any of its political subdivisions, or any agency or instrumentality thereof may invest its funds and the monies in its custody or possession, eligible for investment, in notes or bonds described in paragraph (c) of subsection (1).

Section 3. (3) No law of this state requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of the security, or prescribing or limiting interest rates upon loans or investments, or limiting investments of capital or deposits, or prescribing or limiting the period for which loans or investments may be made, shall apply to loans or investments made pursuant to the provisions of this section.

Committee on Agriculture and State Fair reported **HB 152, HB 175, SB 93, SB 132** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 152, AN ACT relating to anhydrous ammonia.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 250.486 of the Kentucky Revised Statutes is amended to read as follows:

No person, firm or corporation other than the owner of the facility and those authorized by the owner so to do, shall sell, fill, refill, deliver or permit to be delivered, or use in any manner any anhydrous ammonia container or receptacle for any gas, compound, for any other purpose whatsoever. Any wholesaler, dealer, or handler of anyhydrous ammonia or pressure liquid fertilizers that have a vapor pressure in excess of fifty pounds at one hundred degrees Fahrenheit shall register annually with the department, and shall pay an annual license fee based on the volume of the previous year's business. The license fee shall be at least thirty-five dollars; operators who have handled more than two hundred and fifty tons during the previous year shall pay an additional amount equal to fifteen cents for each ton handled in excess of two hundred and fifty. The application for license shall be accompanied by an affidavit stating the applicant's volume of business. The department or its representative shall have the privilege of checking the validity of the information contained in the affidavit.

Section 250.487 of the Kentucky Revised Statutes is amended to read as follows:

The monies received from the license fees collected shall be deposited into the State Treasury to the credit of a revolving account to be used in the administration of KRS 250.482 to 250.488.

HB 175, AN ACT relating to the marketing of eggs. This Act shall be known as the Albert C. Smith Egg Bill.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 260.600 of the Kentucky Revised Statutes is amended to read as follows:

(1) A license is required of each handler of eggs located in the Commonwealth subject to the exceptions specified in KRS 260.550. The annual license fees are as follows, varying for dealers, wholesalers and processors, according to the average weekly volume of the month in which the licensee handled the most eggs during the preceding year:

(a)	Retailers	$ 5.00
(b)	Dealers and Wholesalers	
	1-25 cases	$ 5.00
	26-50 cases	$ 10.00
	51-100 cases	$ 15.00
	More than 100 cases	$ 20.00
(c)	Processors	
	Less than 250 cases	$ 20.00
	250-500 cases	$ 30.00
	501-1000 cases	$ 40.00
	More than 1000 cases	$ 50.00

(2) Any egg handler engaged in more than one type of activity for which a license is provided must pay that license fee which is the highest of the licenses prescribed for each type of activity in which he is engaged.

(3) All eggs bought or sold by or to any egg handler must bear a two cent (2c) inspection fee stamp for each 15 dozen lot or portion thereof; subject to the exemptions specified in Section 260.550.

(4) All licenses shall expire on April 1 of each year. Handlers having more than one place of business must hold a license for each place. Each application shall bear the names of the persons responsible for candling and grading eggs.

Section 2. Section 260.610 of the Kentucky Revised Statutes is amended to read as follows:

(1) All eggs bought or sold by or to retailers, consumers, and institutional users by licensees shall be identified according to grade and size, using USDA standards and weight classes for consumer grades.

(2) Eggs to be offered for sale for human consumption shall be handled in such manner as to maintain and preserve the quality and grade in which they are to be offered for sale.

(3) No person shall sell, offer or expose for sale, or have in his possession for sale, for human consumption, eggs that are inedible, including eggs that are unfit for human food in whole or in part,

addled or moldy, containing black rot, white rot, or blood ring, adherent yolks, or bloody whites, incubated beyond the blood ring stage, or consisting to any extent of filthy decomposed substance.

Section 3. Section 260.620 of the Kentucky Revised Statutes is amended to read as follows:

Eggs offered for sale as graded eggs shall conform to the standards prescribed in administrative regulations adopted by the department. Such standards shall conform to the federal standards for grading eggs for sale.

Section 4. Section 260.630 of the Kentucky Revised Statutes is amended to read as follows:

(1) All wholesale egg packs consisting of cases or portions of cases must bear a label designating contents, quality, date of packing, candler's name or number, dealer's name and address, size and grade of eggs.

(2) Graded eggs offered for sale in cartons or other packs containing one dozen or less shall be plainly marked as to grade, quality, and size with letters not less than one-fourth inch in height.

SB 93, AN ACT relating to the Department of Agriculture, Labor and Statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) The Department of Agriculture may accept Federal aid, gifts, donations or devises. The Department of Agriculture is authorized in its discretion to accept the provisions of any Act of Congress appropriating, granting or apportioning funds or commodities to the state for use in connection with any program of the Department of Agriculture. The commissioner shall prescribe for the proper apportionment and distribution of these funds, property or commodities in accordance with the State and Federal laws.

(2) The Commissioner of Agriculture may enter into any agreement and carry out the terms of such agreement with any department of the Federal government to handle funds, commodities or any devise under any program assigned to or handled by the Department of Agriculture.

SB 132, AN ACT relating to weights, measures and millers' tolls.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 363.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall use, sell, offer or expose for sale or hire or have in possession for the purpose of using, selling or hiring, a false

weight or measure, or weighing or measuring device, or any device or instrument to be used to or calculated to falsify any weight or measure.

(2) No person shall dispose of any condemned weight or measure or weighing or measuring device in a manner contrary to law.

(3) No person shall remove from any weight, measure, or weighing or measuring device, any tag or seal or mark placed thereon by the department or by a city sealer.

(4) No person shall sell, or offer or expose for sale less than the quantity he represents of any commodity, thing or service.

(5) No person shall take more than the quantity represented of any commodity thing or service where as buyer, agent or receiver, he furnishes the weight, measure, or weighing or measuring device by means of which the amount of the commodity, thing or service is determined.

(6) No person shall use in retail trade, except in preparation of packages put up in advance of sale, a weighing or measuring device which is not so positioned that its indications may accurately be read and the weighing and measuring operation observed from some position which may reasonably be assumed by a customer.

(7) No person shall sell, offer or expose for sale any commodity in package form unless the net quantity of the contents be plainly and conspicuously marked on the package, in terms of weight, measure, or numerical count.

Section 2. Section 363.285 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall sell, offer or expose for sale any commodity in any other manner than by net weight, liquid measure, linear measure, dry measure or numerical count.

(2) No person shall sell, offer or expose for sale any commodity so packed which is misleading to the buyer as to the net weight, measure or numerical count.

Section 3. A new section of the Kentucky Revised Statutes is added to read as follows:

(1) Whenever any commodity is sold, offered, exposed, or advertised for sale, by weight, measure, or numerical count, the price shall be indicated so as not to be misleading or deceiving to an actual or prospective purchaser.

(2) Every commodity in package form, the package being one of a lot containing random weights of the same commodity and bearing the total selling price of the package, shall bear on the outside of the package a plain and conspicuous declaration of the price per pound.

Section 4. A new section of the Kentucky Revised Statutes is added to read as follows:

(1) Where the statement of weight of a commodity expresses the minimum quantity, no variation below the stated minimum shall be permitted after the first complete sale and delivery of the commodity in Kentucky by the manufacturer, packer, or distributor, except variations below the stated weight or measure caused by ordinary and customary exposure to conditions that normally occur in good distribution practice and that unavoidably result in decreased weight or measure. Variations above the stated minimum shall not be unreasonably large.

(2) Where the statement of weight of a commodity does not express the minimum quantity (a) variations from the stated weight or measure shall be permitted after the first complete sale and delivery of the commodity in Kentucky by the manufacturer, packer, or distributor, when caused by ordinary and customary exposure to conditions that normally occur in good distribution practice and that unavoidably result in a change of weight or measure; (b) variations from the stated weight or measure shall be permitted after the first complete sale and delivery of the commodity in Kentucky by the manufacturer, packer or distributor when caused by unavoidable deviation in weighing or measuring the contents of individual packages that occur in good packing practice; but such variations shall not be permitted to such extent that the average of the quantities in the packages of a particular commodity comprising either a shipment or other delivery of the commodity or a lot of the commodity that is kept, offered, or exposed for sale, or sold, is below the quantity stated, and no unreasonable shortage in any package shall be permitted, even though overages in other packages in the same shipment, delivery, or lot compensate for such shortage.

(3) The extent of variations from the stated quantity of the contents of each shipment, delivery or lot permitted in subsections (1) and (2) of this section shall be determined by the facts in each case.

Section 5. A new section of the Kentucky Revised Statutes is added to read as follows:

None of the provisions of Chapter 363 shall apply to the compounding and dispensing of drugs by a registered pharmacist on a prescription.

Section 6. Section 363.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 363.050 shall be fined not less than ten nor more than one hundred dollars, or imprisoned for not more than six months, or both.

(2) Any person who violates any of the provisions of KRS 363.070 or 363.080 shall be fined not less than twenty-five nor more than five hundred dollars for each offense.

(3) Any person violating KRS 363.090 shall be fined not less than five nor more than twenty dollars.

(4) Any person who violates any of the provisions of subsection (1) of KRS 363.100 shall for each offense be fined five dollars for the use of the school district in which the mill is located.

(5) Any person who violates any of the provisions of subsection (2) of KRS 363.100 as to the time, order or quality of grinding or manufacturing, or the amount of toll, shall for each offense forfeit to the party injured ten dollars, recoverable before a justice of the peace.

(6) Any person who violates any provision of KRS 363.170 to 363.290 shall, for each offense, be fined not less than one hundred nor more than one thousand dollars, or imprisoned for not less than three nor more than twelve months, or both.

(7) Any person who violates any provision of Sections 3 and 4 of this Act shall, for each offense, be fined not less than one hundred nor more than one thousand dollars, or imprisoned for not less than three nor more than twelve months, or both.

Committee on Agriculture and State Fair reported **SB 103** with the expression of opinion that same should pass with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

Said Amendment is as follows:

"Amend printed copy of **SB 103**, on page 1, section 1, lines 8 and 9, after the word "Agriculturalists" delete the words "or those experienced in related industries" and insert a comma after agriculturalists.

SB 103, AN ACT relating to the State Board of Agriculture.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 246.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall consist of nine members as follows: The commissioner, ex officio chairman; the director of the Agricultural Experiment Station, ex officio member and vice-chairman; and seven citizens of the Commonwealth.

(2) The seven members from the state-at-large shall be experienced and practical farmers or agriculturalists or those experienced in related industries, and not more than four of the seven of them shall belong to the same political party.

(3) Upon the expiration of the term of each member of the present board, and every four years thereafter, the Governor shall appoint a successor.

(4) The board shall be a body corporate under the corporate

name "State Board of Agriculture" and shall have the usual corporate papers.

Section 2. Section 246.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Members of the board shall receive twenty-five dollars per day and actual traveling expenses while attending meetings of the board, but the total number of days the board may be in session shall not exceed thirty-six per year.

Section 3. WHEREAS, it is deemed by the General Assembly to be in the public interest that competent agriculturalists from the state-at-large be appointed to the State Board of Agriculture at the expiration of the present regular terms ending in March of this year;

NOW, THEREFORE, an emergency is hereby declared to exist and this Act shall become effective immediately upon its passage and approval by the Governor.

Committee on Agriculture and State Fair reported **SB 101** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 101, AN ACT relating to anhydrous ammonia.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 250.486 of the Kentucky Revised Statutes is amended to read as follows:

No person, firm or corporation other than the owner of the facility and those authorized by the owner so to do, shall sell, fill, refill, deliver or permit to be delivered, or use in any manner any anhydrous ammonia container or receptacle for any gas, compound, for any other purpose whatsoever. Any wholesaler, dealer, or handler of anhydrous ammonia or pressure liquid fertilizers that have a vapor pressure in excess of fifty pounds at one hundred degrees Fahrenheit shall register annually with the department, and shall pay an annual license fee based on the volume of the previous year's business. The license fee shall be at least thirty-five dollars; operators who have handled more than two hundred and fifty tons during the previous year shall pay an additional amount equal to fifteen cents for each ton handled in excess of two hundred and fifty. The application for license shall be accompanied by an affidavit stating the applicant's volume of business. The department or its representative shall have the privilege of checking the validity of the information contained in the affidavit.

Section 250.487 of the Kentucky Revised Statutes is amended to read as follows:

The monies received from the license fees collected shall be deposited into the State Treasury to the credit of a revolving account to be used in the administration of KRS 250.482 to 250.488.

Committee on Agriculture and State Fair reported **SR 30** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SR 30, A CONCURRENT RESOLUTION memorializing Congress to increase tobacco allotments by five to ten percent.

WHEREAS, the burley industry has underproduced actual requirements by 220,000,000 pounds in the last five years;

WHEREAS, burley consigned to government loan agencies is dwindling at an alarming rate, as is also tobacco held by cooperatives, because of the lack of production;

WHEREAS, if production of burley tobacco is not soon increased, buyers will seek types other than burley to supply their needs which are not subject to market quotes to the detriment of the quality of tobacco used in tobacco products; and

WHEREAS, the only solution to the present injurious conditions is increased production;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Congress of the United States be and is memorialized to increase tobacco allotments by five to ten percent, whereby each state's allotment shall be increased in same proportion as now exists.

Section 2. That a copy of this Resolution be sent to each member of Congress from Kentucky.

Committee on Agriculture and State Fair reported **SB 84** with the expression of opinion that same should pass by way of Committee Substitute. Read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 84,** AN ACT relating to the use of gasoline, the tax on which is subject to refund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any person who knowingly uses gasoline, the tax on which is subject to refund under KRS 138.343 to 138.357, for any purpose other than operating or propelling stationary gasoline engines or tractors for agricultural purposes, shall be fined not less than one hundred nor more than five hundred dollars, or imprisoned not exceeding one year, or both so fined and imprisoned.

Committee on Elections and Redistricting reported **HB 53** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 53, AN ACT relating to voter registration and purgation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 117.810 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county boards or registration and purgation may examine the registration lists and registration books in the county clerk's office as often as they deem advisable, or the boards may proceed upon the challenge by any citizen or political executive committee having representation upon the State Board of Election Commissioners, and shall examine the registration books after the closing date of the books for registration and before any primary or regular election, for the purpose of removing from the lists or books the names of persons who have, since the date of their registration, died, moved or otherwise become disqualified to vote. If a county board of registration and purgation, upon investigation, has reasonable grounds to believe that there are names upon the registration lists or books of persons who have died, moved or otherwise become disqualified to participate in any regular, special or primary election, the board shall prepare a list of such names. When the board challenges, or upon the challenge of any citizen or political executive committee having representation upon the State Board of Election Commissioners, the registration of any voter, it shall immediately notify the voter in writing, by first-class mail, at his place of residence shown upon the registration list or book that his right to vote in the primary or regular election has been challenged and that his name will be stricken from the registration lists or books unless he appears before the board within five days from the date of the notice and shows cause why his name should not be stricken. If the voter appears and desires to be heard upon the challenge, the board shall hear and determine whether or not the name of the voter should remain upon the registration lists or books, and no name shall be stricken from the registration lists or books until the voter has been given an opportunity to be heard. If the board determines that the voter is legally registered, his name shall remain upon the registration lists or books. If after a hearing the board determines that the name of the voter is illegally or improperly upon the lists or books, it shall enter an order directing the county clerk to strike the name of the voter therefrom. If, after the notice, as herein provided, the voter fails to appear before the board and contest the challenge,

it shall be prima facie evidence that his name illegally or improperly appears upon the registration lists or books, and the board, without further hearing, shall strike his name therefrom. After completing its purgation of the registration lists of a county, the board shall notify the county clerk of all names purged by it. Challenges by a committee or citizen must be made within ten days after the registration books close before a primary or general election, and shall be in writing, giving the name and address of the challenged voter and the reason therefor. The board shall then meet on the eleventh day following the closing of the books and may sit for five days, which need not be consecutive days, the last day to be not less than twenty days prior to the primary or general election.

(2) The failure of any person to vote at any primary or regular election for two consecutive years, as shown by the voting record of such person on his registration record, shall constitute a cause for challenge of any such person, and the board may challenge and ascertain, in the manner provided in subsection (1) of this section, such person's right to remain registered.

(3) The county board may, whenever it deems necessary, order a house-to-house canvass. The procedure shall be the same as provided in KRS 117.820 and 117.825 except that the determination to have a house-to-house canvass is in the discretion of the board, and shall only be made in such precincts as the board shall order. The compensation of the canvassers shall be fixed by the fiscal court.

(4) The registrar of vital statistics for each county shall furnish to the county clerk of his county, at least once a month, a certified report containing the names and addresses of all persons whose death, occurring in the county during the month immediately preceding, has been reported to the registrar. Each circuit clerk shall furnish to the county clerk, at least once a month, a certified report containing the names and addresses of all persons who, during the month immediately preceding, have been adjudged insane by the circuit court or convicted in that court of any offense that operates as an exclusion from suffrage, the nature of the offense to be stated in the report. Immediately upon receipt of such reports of deaths, adjudications of insanity and convictions, the county clerk shall submit such information to the board who shall verify it and notify the person affected, in such written form as it adopts, at the address appearing on the registration. If no protest is filed within five days, the registration record of the person shall be cancelled. If protest is filed within that time, the clerk shall investigate the matter and shall not cancel the record until after the protestant has been given an opportunity to be heard.

(5) When the mail notices required herein are returned unclaimed, the county board shall cause the names of the persons affected by such notices to be published in at least one issue of the newspaper with the largest circulation in the county.

Committee on Municipalities reported **SB 36** with the expression of opinion that same should pass by way of Committee Substitute. Read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 36**, AN ACT relating to local regulation of electrical standards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context otherwise required:

(1) "Electrical contractor" means any individual, partnership or corporation that engages in the business of or employs others for the construction, alteration or repair of any electrical wiring used for the purpose of furnishing heat, light or power;

(2) "Electrician" means any person who is employed by an electrical contractor and is engaged in the construction, alteration or repair of any electrical wiring used for the purpose of furnishing heat, light or power;

(3) "Electrical" pertains to the installation of wires and conduits of the purpose of transmitting electricity, and the installation of fixtures and equipment in connection therewith.

Section 2. This act applies to cities of the second and third classes, and counties containing those cities.

Section 3. This act shall not apply to factory maintenance men or any employees of the utility companies, railroads or municipalities in pursuit of their respective employers business.

Section 4. Any action authorized by the provisions of this Act to be accomplished by a city or county may be undertaken by the city or county jointly. The provisions of this act may only be accomplished jointly by city or county where a joint resolution is passed, both by the Fiscal Court and the governing body of the city and in such instance where a joint resolution fails, the provisions of this act may be accomplished separately by the city and the county.

Section 5. (1) A city or county may require any person to obtain permits before commencing construction, alteration or repairs of any electrical wiring, and require such inspection as it deems necessary for the safety of life and property.

(2) Reasonable standards for the construction, alteration and repair of any electrical wiring shall be adopted by the city or the county and shall have as a minimum standard the requirements of the national electric code which is incorporated into the state standards of safety. The standards so adopted by the city or the county shall be used by the electrical inspector in making his inspections.

Section 6. (1) A city or county may require all electrical contractors and electricians to be examined by an examining board before being issued a license to engage in their occupation. An electrician desiring to become a contractor may apply for an examination to the examining board. A city or county may require all non-resident electrical contractors and electricians to conform to reasonable standards prior to engaging in their occupation within the jurisdiction of the city or county.

(2) The examining board shall be composed of seven members appointed by the city or the county and in such instances as where the provisions of this act are accomplished jointly as provided for in Section 4, the appointment shall be by joint resolution of the governing body of the city and the county. The board shall consist of two fire department officials, two consulting electrical engineers or architects, two electrical contractors and one utility company official. No appointee shall serve more than two consecutive years.

(3) The members of the examining board shall serve without salary.

(4) In order to administer this Act, the board may issue and revoke licenses, hear and settle disputes over code questions and how it shall apply in their area; conduct and make regulations for conducting examinations of applicants; govern the method and time of making application for examination and the time within which applicant shall be examined after application has been filed. It may adopt any other reasonable regulations to administer this Act.

(5) Electrical contractors and electricians may be required to pay a reasonable fee before issuance of a license to them.

Section 7. A city or county may fix as a penalty for the violation of an ordinance or resolution passed under the provisions of this Act, a fine of not less than ten dollars nor more than one hundred dollars, or imprisonment for not more than fifty days, or both.

Committee on Motor Vehicles, Commerce and Common Carriers reported **SB 151, HB 104** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 151, AN ACT relating to the licensing of motor trucks, motor vehicles and motor carriers by cities and amending Section 281.830 Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 281.830 of the Kentucky Revised Statutes is amended to read as follows:

Section 1. Except as otherwise provided in KRS 138.470, 186.020

and 186.050 and in subsection (2) of this section, the fees and taxes prescribed by this chapter shall be in addition to the fees and taxes prescribed by any other law of this state.

Section 2. No city may impose a license fee or tax upon any motor vehicle operated under a certificate or permit which has been qualified under 281.810. A city may impose a license fee or tax upon a taxicab or a mileage tax upon a city bus as set out in subsections (4) and (5) of KRS 281.815.

HB 104, AN ACT relating to motor vehicle safety equipment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (8) of Section 189.040 of the Kentucky Revised Statutes is amended to read as follows:

(8) Flashing lights are prohibited on all motor vehicles, except as a means for indicating a right or left turn. This subsection shall not apply to authorized emergency vehicles and wreckers; nor to public utility repair vehicles at the scene of an emergency repair job; nor to any vehicles operated by mail carriers while on duty.

Calendar

SB 153, SB 159, SB 150, SB 149, SB 148 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

Senator Johnson moved the adoption of **SR 36.** Agreed.

SR 36, A RESOLUTION petitioning the Congress of the United States to give favorable consideration to legislation providing benefits for Veterans of World War I; and for other purposes.

WHEREAS, many hundreds of thousands of our nation's finest citizens served the cause of democracy during the period of World War I; and;

WHEREAS, a large number of these veterans have now reached the age and circumstances in which they are no longer self supporting, as well as suffering illnesses and infirmities aggravated by this honorable service to their country; and,

WHEREAS, through no fault of their own, they have largely become a class of forgotten men, many of whom are close to the grave;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body recognizes the predicament of these veterans of World War I, and petition the Congress of the United States to give favorable consideration to legislation providing benefits to the aged, ill and disabled veterans of this great war in the form of pensions or any other means which will provide relief so vitally needed.

Section 2. That a copy of this resolution be forwarded to the President of the United States, to the Director of the Veterans Administration, to the Director of the United States Bureau of the Budget, to the Chairman of the House Committee on Veterans Affairs, and to each Member of the Kentucky Delegation in the Congress.

Senator Blake moved the adoption of **SR 37.** Agreed.

SR 37, A CONCURRENT RESOLUTION memorializing Congress to return to the Commonwealth of Kentucky certain moneys.

WHEREAS, the tax rate now imposed on distilled spirits and cigarette products is to be reduced after June 30, 1960; and

WHEREAS, in the past Congress has extended such tax rates so that the applicable rates were not reduced; and

WHEREAS, the Commonwealth of Kentucky produces the greatest amount of taxable bonded whiskey of any state; and

WHEREAS, tobacco production is of first importance in the agriculture of the Commonwealth of Kentucky:

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky the House of Representatives concurring therein:

Section 1. That the Congress of the United States be memorialized and requested that, if the additional tax of one dollar and fifty cents on distilled spirits or the additional tax of fifty cents on cigarette products herein referred to be imposed, the total increase thereof received from sources in the Commonwealth of Kentucky be refunded to this Commonwealth for the use and benefit of the General Fund.

Section 2. That a copy of this Resolution be sent to each member of Congress from Kentucky.

Senator Blake moved the adoption of **SR 38.** Agreed.

SR 38, A CONCURRENT RESOLUTION memorializing Congress to reduce the tax rate on cigarettes by fifty cents per thousand cigarettes.

WHEREAS, the tax now imposed on cigarettes is at a rate which does not foster the sale of cigarettes;

WHEREAS, tobacco is an important product in the agricultural economy of the Commonwealth of Kentucky; and

WHEREAS, tobacco grown in Kentucky constitutes a large percentage of the tobacco used in cigarettes;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky the House of Representatives concurring therein:

Section 1. That the Congress be memorialized and is requested to reduce the tax rate imposed on cigarettes by fifty cents per thousand cigarettes.

Section 2. That the Clerk be directed to send a copy of this Resolution to each member of Congress from Kentucky.

SB 138, SB 139, SB 121 taken from Orders of the Day. Senator Duffy moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 58 taken from Orders of the Day and ordered read at length for the third time. Senator Hehl moved that it be read by title only. Agreed.

Senator Hehl moved the adoption of Amendment #1 to **SB 58.** Agreed.

Said Amendment is as follows:

"Amend printed copy of **SB 58** on page 1, section 1, line 1, by adding after the word "board" the following language:

"with the unanimous consent of each member thereof."

Senator Melton moved the Previous Question on **SB 58** as amended. Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0.

Senator Hehl moved that the vote by which **SB 58** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 155 taken from Orders of the Day with Committee Amendments attached thereto and ordered read at length for the third time. Senator Francis moved that it be read by title only. Agreed.

Senator Francis moved the adoption of Committee Amendment #1 to **SB 155.** Agreed.

Amend printed copy of **SB 155** on page 10, section 9, lines 16, 17 and 18 by striking those lines and inserting in lieu thereof the following:

"as determined by the prime rate prevailing on unsecured commercial loans among the majority of the New York City clearing house member banks on the first day of the month in which the loan is made to the corporation."

Senator Francis moved the adoption of Committee Amendment #2 to **SB 155.** Agreed.

Amend printed copy of **SB 155** on page 5, section 4, after line 33, by adding the following language:

"The corporation may charge interest on such loans at rates of interest not to exceed whichever is the higher of the two following rates: (a) the rate mentioned in KRS 360.010; (b) two percent in excess of the prime rate prevailing on unsecured commercial loans among the majority of the New York City clearing House member banks on the first day of the month in which the loan is made."

Amendment #3 to **SB 155,** by Senator Francis, who moved the adoption. Agreed.

Amend printed copy of **SB 155** on page 8, section 7, line 33 by changing the period to a comma after the word "member" and inserting the following:

"except that a public pension or retirement fund which becomes a member may acquire capital stock of the corporation not to exceed twenty-five percent of the loan limit of such member."

Senator Francis moved the Previous Question on **SB 155** as amended. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, C. H. Davis, Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 155** was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 155** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 84, HB 166, HB 67, HB 119, HB 122, HB 173, HB 174** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 47 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 47**. Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H Davis, Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 47** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 47** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 124 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **SB 124.** Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 124** was passed and the title agreed to.

Senator Overbey moved that the vote by which **SB 124** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Craft moved suspension of the Rules for the purpose of making Committee Reports. Agreed.

Report of Committee

Committee on Revenue and Taxation reported **SB 157, SB 152** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 157, AN ACT relating to the taxation of liquid fuels used in motor boats.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section is created in Chapter 138 of the Kentucky Revised Statutes to read as follows:

(1) Any person who buys or uses any liquid fuel for the purpose of operating or propelling motor boats shall be reimbursed and repaid the amount of the tax paid by him pursuant to the provisions of KRS 138.210 to 138.340 upon presenting to the Department of

Revenue an application made under oath, accompanied by the original invoices showing the payment of such purchases, including the liquid fuel tax thereon. The application shall set forth the total amount of the liquid fuel purchased and used by the applicant in the operation or propulsion of motor boats.

(2) The Department of Revenue, upon the presentation of the application and invoices and after making such investigation as it deems necessary, shall cause to be repaid to the applicant the amount of taxes as other refunds are made, and the amount refunded shall be deducted from current gasoline tax receipts.

(3) All refunds claims authorized by this section shall be filed with the Department of Revenue within four months after the date on which the liquid fuel shall have been purchased as shown by the invoice. Where the application for refund is mailed to the Department of Revenue, the date of mailing as shown by the postmark shall be taken as the time and date of filing with the department.

Section 2. A new section is created in Chapter 138 of the Kentucky Revised Statutes to read as follows:

(1) Any person who shall change or alter the date, name, gallonage or other information shown on any invoice used to support any claim for refund authorized in this Act shall forfeit the right to such refund.

(2) Any person, firm or corporation who shall make any false statement in connection with an application for the refund of any money, as provided in this Act, or who shall collect or cause to be repaid to him or to any person any such taxes without being entitled to the same under the provisions of this Act shall be fined not less than twenty-five dollars nor more than one thousand dollars.

SB 152, AN ACT relating to license and excise taxes and repealing KRS 247.165.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 247.165 of the Kentucky Revised Statutes be and is hereby repealed.

Orders of the Day—Continued

HB 142 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 90 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 90.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 90** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 90** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 100, HB 200, HB 199, SB 14, SB 10,** with House Amendment attached thereto.

Orders of the Day—Continued

HB 46 taken from Orders of the Day and ordered read at length for the third time. Senator Martin moved that it be read by title only. Agreed.

Senator Hehl moved the adoption of Amendment #1 to **HB 46.**

Said Amendment #1 is as follows:

"Amend printed copy of **HB 46** in the Senate on page 3, section 7, line 8, by adding the following paragraph: "Nothing in this act shall apply to provisions authorized by Chapter 312 Kentucky Revised Statutes."

Senators Kelly and Francis requested a roll call on Amendment #1 to **HB 46.**

On the roll call, the vote was: Yeas 13—Brand, Blue, Bonn, Byers, C. H. Davis, Duncan, Hehl, Hickerson, C. S. Howard, Kidwell, Logan, Raney, Young. Nays 20—Bassett, Bishop, Blake, Conley, Craft, Duffy, Francis, Garnett, Hamilton, D. W. Howard, Hubbard, Jackson, Kelly, Kinkead, Martin, Melton, Miller, Overbey, Ware, White. The amendment to **HB 46** was rejected.

Senator Martin moved the Previous Question on **HB 46.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 3—Byers, Duncan, Young. **HB 46** was passed and the title agreed to.

Senator Martin moved that the vote by which said **HB 46** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 126 taken from Orders of the Day and ordered read at length for the third time. Senator Garnett moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 126.** Agreed.

On the roll call, the vote was: Yeas 34—Bishop, Blake, Blue, Byers, Conley, Craft, C. H Davis, Mrs. J. H Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 126** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 126** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 129 taken from Orders of the Day. Senator Martin moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 119 taken from Orders of the Day. Senator Hehl moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Senator Garnett moved suspension of the Rules for the purpose of introducing bills. Agreed.

Introduction of Bills

SB 195, by Senators Garnett and Ware: AN ACT relating to the Kentucky Historical Society.

SB 196, by Senators Hubbard, C. H. Davis, Kinkead, Jackson, Duncan and Derickson: AN ACT relating to Workmen's compensation.

Senator Ware moved that the Senate do now adjourn until twelve noon February 25. Agreed.

THURSDAY, FEBRUARY 25, 1960

FORTY-FIRST LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Right Reverend Monsignor Joseph A. O'Dwyer of the Good Shepherd Church of Frankfort.

The roll was called. All present except Senator Bonn, who was granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 24 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 197, by Senator Overbey: AN ACT relating to Judicial Districts.

SB 198, by Senator Duffy: AN ACT relating to insurance and insurance companies, and amending certain sections and adding other sections of Chapter 304 of the Kentucky Revised Statutes.

SB 199, by Senator McCann: AN ACT relating to trade practices; amending subsection (1) of Section 365.030 of the Kentucky Revised Statutes.

SB 200, by Senators Jackson and Derickson: AN ACT relating to Judicial Districts.

SB 201, by Senator Kinkead: AN ACT relating to planning and zoning.

SB 202, by Senators C. S. Howard, Hubbard and D. W. Howard: AN ACT relating to closing of public ways.

SB 203, by Senator Francis: AN ACT relating to the architectural profession.

SR 39, by Senator Johnson: A RESOLUTION authorizing the appointment of a committee to dig out legislation.

Senator Johnson moved the adoption of **SR 39.** Agreed.

SR 39, A RESOLUTION authorizing the appointment of a committee to dig out legislation.

WHEREAS, the senator from the 21st Senatorial District has introduced nine measures not as of yet reported out of committee, and

WHEREAS, these measures have disappeared from sight of man and of this body, and

WHEREAS, those measures most completely disappearing from view are the five measures referred to the Senate Committee on Kentucky Statutes No. 2, and

WHEREAS, these measures were last seen disappearing into the dark and mysterious confines of said committee,

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the President of the Senate be authorized to appoint a committee to search out and to dig out of committee those measures introduced by the Senator from the 21st District.

Section 2. That the President of the Senate be advised to appoint only able bodied men to this committee as it appears said measures are deeply buried.

The President appointed Senators Kidwell, Ware and Francis to check the matter concerning **SR 39.**

Senator Ware moved suspension of the Rules for the purpose of hearing motions. Agreed.

Motions

Senator Ware moved that the Senate take from the Clerk's desk House Amendment to **SB 10** for concurrence. Agreed.

Senator Ware moved the adoption of the House Amendment to **SB 10.** Agreed.

The House has passed Senate Bill 10 with the following amendment:

On page 2, section 1, line 20 delete the words "the completion of the count of the votes by the board" and insert in place thereof "receiving such certificates from the board."

The House respectfully request the concurrence of the Senate in this amendment.

On roll call, the vote was: Yeas 33—Bassett, Bishop, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. Senate concurred in House amendment to **SB 10.**

Report of Committees

Committee on Library and Historical Records reported **HB 50, HB 140** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 50, AN ACT relating to reading matter for the blind.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. For the benefit of blind readers of Kentucky, the Library Extension Division may make available books and other reading matter in Braille, talking books or any other medium of reading used by the blind. To this end, the division is authorized to provide library services for the blind of the Commonwealth through contract, agreement or otherwise with the Library of Congress or any regional library thereof.

HB 140, AN ACT relating to libraries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 173.310 of the Kentucky Revised Statutes is amended to read as follows:

Any governmental unit may provide library service for its inhabitants according to any one of the following methods:

(1) The legislative body on its own initiative may establish an independent library.

(2) Upon receipt of a petition signed by a number of taxpayers equal to five percent of the number of votes cast for officers in the last general election of such governmental unit, the legislative body shall submit the question to a vote at the next general election. If a majority of those voting on the question vote in favor of the proposition, the legislative body shall forthwith establish a library, except as provided in subsection (4) of this section.

(3) The legislative bodies of two or more adjacent counties may on their own initiative, or upon a petition and vote in each county as provided in subsection (2) above, or upon the initiative of some legislative bodies and petition and vote in others, join in establishing and maintaining a regional library, provided the aggregate assessed valuation of the property assessable for local taxation in such counties is a minimum of $10,000,000, and subject to the provisions of KRS 173.320.

(4) The legislative body of any governmental unit may on its own initiative contract to receive service from an existing nearby library, the library of a nearby institution of higher learning, the State Library Extension Division, or from a nearby library not owned by a governmental unit but which provides free service, each of these having reciprocal power to render the service. In the event of a petition and vote as provided by subsection (2), a legislative body shall have the privilege of providing library service by contract in lieu of establishing an independent library.

When any one of the above methods has been complied with, the legislative bodies of the governing units shall at once make the necessary appropriation or levy to establish and maintain such library service annually and perpetually.

Section 2. Section 173.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) After the legislative body of a governmental unit has made provisions for library service according to any of the methods set forth in KRS 173.310, the legislative body shall appropriate money annually to furnish such service. In library regions it shall not be less than three cents, nor more than ten cents on each one hundred dollars worth of property assessed for local taxation. In counties containing a city of the first class it shall be not more than fifteen cents on each one hundred dollars worth of property assessed for local taxation. In all other governmental units it shall be not less than five cents nor more than fifteen cents on each one hundred dollars worth of property assessed for local taxation. It may be a special levy if the constitutional limit has not already been levied or this amount included in the general levy.

(2) All funds for the library shall be deposited monthly to the credit of the library board. These funds shall not be used for any but library purposes. The treasurer of the library board shall be required to execute bond with good and sufficient surety thereon for the faithful performance of his duties, the amount of the bond to be fixed by the board. If the bond has a corporate surety the premium shall be paid from the library fund. The board shall have exclusive control of expenditures, subject to an examination of accounts as may be required by the legislative body, and money shall be paid only upon vouchers approved by the board. The board shall not make expenditures or incur indebtedness in any year in excess of the amount of money appropriated and available for library purposes, except where a library board is the owner of real estate not used for library purposes, in which case they may borrow money secured solely by that property. Principal and interest on indebtedness on real estate owned by a library board not used for library purposes is not chargeable to the library funds derived from taxation.

Committee on Rural Roads and Highways reported **HB 117** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 117, AN ACT relating to the county road precinct system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sections 179.080, 179.090, 179.100, 179.120 and 179.130 of the Kentucky Revised Statutes are repealed.

Committee on Courts and Legal Procedure reported **SB 131**, with the expression of opinion that same should pass by way of Committee Substitute. Committee Substitute for **SB 131** read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 131**, AN ACT imposing liability for injuries caused due to the sale of alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Any person who shall suffer injury, either to his person or property, or means of support, by any intoxicated person or in consequence of the intoxication shall have a right of action in his own name, severally or jointly, against any person or persons who by illegally selling or giving alcoholic beverages contributed to the intoxication, in whole or in part.

(2) Any person owning, renting, leasing or permitting the occupation of any building or premises, and having knowledge that alcoholic beverages are to be sold illegally therein, or who having leased the same for other purposes, shall knowingly permit therein the illegal sale of alcoholic beverages that cause, in whole or in part, the intoxication of any person, shall be liable, jointly and severally, with the person or persons selling or giving the alcoholic beverages, for any injury, either to person or property, or means of support, caused by the intoxicated person or in consequence of the intoxication.

(3) The unlawful sale, or giving away of alcoholic beverages shall work a forfeiture of all rights of the lessee or tenant, under any lease or contract of rent upon the premises where such unlawful sale or giving away took place.

(4) Any insurer who has paid a claim, arising out of a judgment or compromise settlement, against any person insured by insurer who caused an injury or damages to a person while intoxicated shall be subrogated to the rights of the injured or damaged party against any person selling or giving alcoholic beverages to the party who caused the injury or damages, or against any person who permitted any building or premises owned, managed or controlled by him to be used, in whole or in part, for the sale of alcoholic beverages, and the party who caused the injury or damages secured intoxicating beverages there.

(5) All suits for damages under this Act may be brought in any of the courts of this state having appropriate jurisdiction, and recovery under this Act for injury to person or property of any person, or for loss of means of support, shall not exceed $50,000 for each claimant, provided that every action hereunder shall be commenced within five years next after the cause of action accrued.

Section 2. (1) The real estate and personal property of any person against whom judgment has been rendered for committing any offense specified in Section 1 of this Act shall be subject to a lien for the amount of the judgment until the judgment is paid.

(2) If the owner of a building or premises shall rent or lease to another the building or premises to be used or occupied, in whole or in part, for the sale of alcoholic beverages or shall knowingly permit

the same to be used or occupied for the sale of alcoholic beverages, such building or premises so used or occupied may be sold to pay any judgment against any person occupying such building or premises.

(3) If any building or premises are owned by a minor or other person under guardianship, and the guardian or conservator permits the building or premises to be used or occupied, in whole or in part, for the sale of alcoholic beverages, then the guardian or conservator of such minor or other person under guardianship shall be subject to the provisions of this Act instead of the ward, and his property shall be subject to the provisions of this section of the Act relating to the collection of any judgment.

(4) Any transfer of property by any person who may be liable for selling or giving away alcoholic beverages, or for permitting buildings or premises which he owns, manages or controls to be used for the purpose of selling alcoholic beverages, shall be deemed fraudulent and the conveyance or transfer set aside, if it is shown that the conveyance or transfer was made for the purpose of preventing execution on any judgment which might be rendered pursuant to this Act.

Section 3. In addition to other illegal acts of selling or giving away alcoholic beverages, it shall be illegal to sell or give alcoholic beverages to a person who is known to the person selling or giving the alcoholic beverage to be intoxicated or an alcoholic or a drunkard.

Section 4. (1) This Act shall not apply to a railroad, bus or airline; nor shall this Act apply to any person who, in his own home, serves or gives intoxicating liquor to a person, or who elsewhere gives or serves intoxicating liquor to a friend or guest as an act of courtesy or hospitality and without any pecuniary gain or profit.

(2) This Act shall not apply to sellers of alcoholic beverages who are subject to the provisions of KRS 243.300.

Committee on Courts and Legal Procedure reported **SB 120** with the expression of opinion that same should pass, with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

Said Amendment is as follows:

"Amend printed copy of Senate Bill 120 on page 1, by adding the following sentence:

"Provided, however, should circumstances exist which are supported by affidavit creating an emergency, the court, within its sole discretion, may issue final judgment prior to the expiration of the aforementioned sixty day period."

SB 120, AN ACT relating to divorce proceedings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In a divorce proceeding the order granting divorce shall be in the form of an interlocutory order containing all the elements of the decision. The order shall be set aside if both parties move to do so within sixty days; otherwise, the order shall be entered as a judgment and take effect after 60 days.

Committee on Courts and Legal Procedure reported **SB 49** with the expression of opinion that same should pass by way of Committee Substitute. Committee Substitute for **SB 49** read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 49**, AN ACT relating to executions, attachments, garnishments and fee-bills.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in KRS Chapter 427 unless the context requires otherwise, "person with a family" means a person with one or more dependents wholly dependent upon such person for care and support, including any natural or foster child under the age of twenty-one years and parents or spouse actually living with said person, or mentally incompetent or totally disabled child.

Section 2. Ninety percent of the first thirty-five dollars of salary, wages or income earned by labor or services of any kind by any person in any calendar week shall be exempt from execution, attachment, garnishment, or fee-bill. The lien created by the issuance and levy of execution, attachment, garnishment or fee-bill on income shall apply only to that sum in excess of the sums declared exempt in this section.

Section 3. Section 427.010 of the Kentucky Revised Statutes is Amended to read as follows:

Two work beasts, or one work beast and one yoke of oxen; two plows and gear; one wagon, cart or dray and gear; two axes, three hoes, one spade, one shovel; two cows and calves; beds, bedding and furniture, sufficient for family use; one loom and spinning wheel and pair of cards; all of the spun yarn and manufactured cloth manufactured by the family necessary for family use; carpeting for all family rooms in use; one table; books, not to exceed seventy-five dollars in value; two saddles and their appurtenances; two bridles; six chairs, or so many as do not exceed ten dollars in value; one cradle; poultry on hand, not to exceed one hundred dollars in value; ten head of sheep, not to exceed twenty-five dollars in value; all wearing apparel; sufficient provisions, including breadstuff and animal products, to sustain the family for one year; provender suitable for livestock, if there is any livestock, not to exceed seventy dollars in value, or, if such provender is not on hand, such other property as does not exceed that sum in value; washing apparatus, not to exceed seventy-five dollars in value; one sewing machine; all family portraits and pictures; one cooking stove and appurtenances; cooking utensils, not to exceed twenty-five dollars in value.

Section 4. (1) Before a clerk of court may issue an order of garnishment addressed to a defendant's employer under the grounds provided by subsection (2) of KRS 425.185, he shall require a certificate stating either:

(a) That the defendant has been served with legal notice at least seven days before the date of the certificate; or

(b) That the defendant has been sent a notice of the plaintiff's intention to garnish by registered or certified mail at least seven days before the date of the certificate, and within thirty days of the issuance of garnishment; or

(c) That the defendant does not reside within the county in which the action is brought.

(2) If the plaintiff is represented by a licensed attorney, the certificate shall be signed by the attorney.

(3) If the plaintiff is not represented by a licensed attorney, the plaintiff or the plaintiff's chief officer within the county shall sign the certificate in the presence of the clerk issuing the garnishment, and the clerk shall attest the signature.

Committee on Courts and Legal Procedure reported **SB 142, HB 63, SB 135** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 142, AN ACT to prohibit the establishment of commercial business enterprises on limited access facilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No automotive service station or other commercial enterprise established for the purpose of serving motor vehicle users shall be constructed or located within the right of way of or on publicly owned or leased land acquired or used for or in connection with a limited access facility except to the extent and in the manner provided by law for turnpike projects.

HB 63, AN ACT relating to prison labor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1 A person convicted of desertion or failure to support under KRS 435.240 shall work at hard labor a minimum of eight hours a day for at least five days during each week of his sentence unless he is examined and certified unfit by the prison physician. Hard labor as used in this section means manual labor with simple hand tools in the construction of highways or the preparation of stone aggregate or other materials to be used by the Department of Highways.

Section 2. The Department of Welfare shall enter into contracts with the Department of Highways for the use and employment of prisoners who have been convicted and sentenced under KRS 435.240. The contracts shall specifically set forth that the Department of Welfare shall be paid at least four dollars and fifty cents but no more than five dollars per day for each prisoner used and employed, and for the payment of the expenses of transportation, housing, guarding, disciplining and maintaining the prisoners while so employed. The amount to be paid shall be certified by the contracting parties to the Department of Finance at the end of each month and shall be charged to the appropriation of the Department of Highways and credited to the budget of the Department of Welfare to be disbursed and expended as it directs except that at least four dollars and fifty cents for each day worked by the prisoner shall be paid to his dependents. Any such contract may provide for a fixed per diem compensation to be paid to the Department of Welfare for each day's work performed by the prisoner and the department shall pay, out of the per diem compensation, the expenses of transporting, guarding, disciplining, housing and maintaining prisoners as may be provided in the contracts. The contract may also provide for payments to the prisoners in the discretion of the Department of Welfare, such payments not to exceed twenty-five cents for each day's work performed by the prisoner.

Section 3. Payments to prisoners and their dependents as authorized by this section shall be made subject to the rules and regulations of the Department of Welfare, but only out of funds made available under the provisions of the particular contract under which the prisoners have been employed. The rules and regulations may provide that any infraction of the rules or of the rules governing the discipline of the prisoners, while confined within the walls of the prison, or while engaged in employment outside the prison, shall work a forfeiture of the benefits authorized in this section, either in whole or in part, in the discretion of the Department of Welfare.

SB 135, AN ACT pertaining to Juvenile Courts, clarifying their jurisdiction and powers, defining more clearly certain terms used in the existing law, and transferring certain sections pertaining to such Courts from other Chapters in Kentucky Revised Statutes into Chapter 208 thereof.

WHEREAS, certain words and terms appearing in Chapter 208, of the Kentucky Revised Statutes, need defining; and

WHEREAS, the jurisdiction and powers of county courts and the juvenile session thereof need clarification; and

WHEREAS, certain omissions and insertions in the existing law relative to the powers of county courts in juvenile session and of other courts over children, the penalties, failure of parents to contribute to the support of their children need to be made in Sections 199.320, 199.990 (2), 200.110, 208.010, 208.020, 208.170, 208.200, 208.280, 208.320, 208.340, 208.470 and 208.990, of the Kentucky Revised Statutes:

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 208.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 208.010 to 208.590 and 208.990, unless the context otherwise requires:

(1) "Department" means the Department of Welfare.

(2) "Child" means any person who has not reached his eighteenth birthday.

(3) "Court" means the juvenile session of the county court.

(4) "Child Welfare Worker" means any employee of the Department of Economic Security, designated as such by the Commissioner of the Department of Economic Security, or a social worker employed by a county or city, who has been approved by the Department of Economic Security to handle, under its supervision, services to children.

(5) "Dependent or Neglected Child" has the same meaning as in KRS 199.011 (5).

(6) "Abandoned Child" has the same meaning as in KRS 199.011 (6).

(7) "Needy Child", as used in this Chapter, means one which is in want and deprived of the necessities for living; the education required by law; or the supervisory medical, psychiatric, psychological, or other care necessary for his well being.

Section 2. Section 208.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The juvenile session of the county court of each county shall have exclusive jurisdiction in proceedings concerning any child living or found within the county who:

(a) Has committed a public offense, except a moving motor vehicle offense, involving a child sixteen years of age or over. The court shall not have jurisdiction in any prosecution of a moving motor vehicle offense involving a child sixteen years of age or over. Juvenile offenders sixteen years of age or over accused of moving motor vehicle offenses shall be treated as any adult offender; PROVIDED, HOWEVER, that the term "moving motor vehicle offense" shall not be deemed to include the offense of stealing or converting a motor vehicle nor operating the same without the owner's consent, nor any offense which constitutes a felony; or

(b) Who is unmanageable or ungovernable and beyond the control of his parents or other guardian; or

(c) Whose acts of commission or omission, behavior, occupation, environment or association are such as to injure his welfare, or that of others, and to require for his good and possible reformation, that he be taken into custody and surrounded by proper moral training and influences to make him, if possible, a good and reputable citizen.

(d) If found by the court to be dependent, neglected, needy or abandoned.

(2) The court of each county wherein a public offense, (as defined in KRS 208.020 (1) (a)) is committed by a child who is a resident of another county of this state, shall have concurrent jurisdiction over such child with the court of the county wherein the child resides. Whichever court first acquires jurisdiction of such child may proceed to final disposition of his case, or, in its discretion may make an order transferring the case to the court of the county of his residence, or the county wherein the offense was committed, as the case may be.

(3) The court of each county shall have exclusive jurisdiction of persons who, and no person shall,

(a) Knowingly encourage, aid, cause or in any manner contribute to the conditions which cause, or tend to cause a child to become delinquent, neglected, dependent, needy or charged with a crime; or

(b) Willfully fail to do any act that will directly tend to prevent a child's becoming delinquent, neglected, dependent, needy, abandoned or charged with a crime.

(4) Nothing in Chapter 208, of the Kentucky Revised Statutes, shall deprive other courts of the jurisdiction to determine the custody or guardianship of children upon writs of habeas corpus, or to determine the custody or guardianship of children when such custody or guardianship is incidental to the determination of other causes pending in such other courts; nor shall anything in Chapter 208, of Kentucky Revised Statutes, affect the jurisdiction of circuit courts over adoptions and proceedings for termination of parental rights. The juvenile court shall have no jurisdiction to make permanent awards of custody of a child as between its two natural parents, but, if the court finds an emergency to exist affecting the welfare of a child, it may make temporary orders for its custody as between its two natural parents, pending the outcome of proceedings in circuit court to determine its permanent custody. Such orders shall be entirely without prejudice to the proceedings for permanent custody of the child, and shall remain in effect for not more than sixty (60) days following their entry, except that the court may, from time to time, and prior to their expiration, extend the operation of such orders if, after a new

hearing, it finds the emergency still to exist and that the proceedings for permanent custody have not been terminated. Upon the entry of a temporary or final judgment in the circuit court, awarding custody of such child to one or the other of its natural parents, all prior orders of the juvenile court in conflict therewith shall be deemed cancelled.

Section 3. Section 208.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) If, during the course of any proceeding in the juvenile court, it appears to the court that there is reasonable cause to believe that a child before the court has committed a felony, and, at the time of the commission of the offense, the child was sixteen years of age or over, or was less than sixteen years of age, but the offense was murder or rape, including being an accessory to either of said offenses before the fact, but not including the lesser degrees of said offenses, and the court is of the opinion that the best interests of the child and of the public require that the child be tried and disposed of under the regular law governing crimes, the court, in its discretion, may make an order transferring the case to the circuit court of the county in which the offense was committed. No child shall be considered a felon for any purpose until transferred to, tried and convicted of felony by the circuit court.

(2) When the juvenile court so transfers a case to the circuit court:

(a) If a grand jury considers the case and is satisfied there is sufficient evidence to indict the child, it may either return an indictment or may return a written report to the circuit court recommending that the child be committed to the department. If the court believes that such commitment would be proper, it may order the child committed to the department.

(b) If, during any stage of the trial in the circuit court, the child, or his parents or guardian so requests, the judge, in his discretion, may stop the trial and commit the child to the department.

(c) If neither of the procedures specified in paragraphs (a) and (b) of this subsection are employed, the child shall be tried as any other defendant.

(d) While under the jurisdiction of the circuit court, the child shall be subject to bail the same as an adult.

(e) Any commitment to the department, under paragraph (a) or (b), of this sub-section, shall be for an indeterminate period not to exceed the age of twenty-one.

Section 4. Section 208.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) If, in its decree, the juvenile court finds that the child comes within the purview of KRS 208.020 (1) or (2), the court may, by order:

(a) Place the child on probation or under supervision in his own home or a suitable family home or boarding home, upon such conditions as the court shall determine. Probation shall not be ordered or administered as punishment, but as a measure for the protecton, guidance and well-being of the child and his family. A child so placed on probation shall be subject to the visitation and supervision of a probation officer or a child welfare worker. Probation methods shall be directed to the discovery and correction of the basic causes of maladjustment and to the development of the child's personality and character, with the aid of the social resources of the community. A child so placed on probation shall remain subject to the jurisdiction of the juvenile court until he becomes twenty-one years of age, unless he is discharged prior thereto by the Court.

(b) Commit the child to the custody or guardianship of a private or public institution or agency authorized to care for such children, or under the guardianship of a suitable person. Such commitment shall be until the age of twenty-one, subject to the power of the court to discharge the child prior thereto, or of the governing authorities of said agency or institution to do so. In committing a child to a private institution or agency, the court shall select one that is approved by the Department of Economic Security, and children committed to such an institution or agency shall be subject to the visitation and supervision of a probation officer or child welfare worker.

(c) Commit the child to the department. Such commitment shall be for an indeterminate period not to exceed the age of twenty-one.

(2) If, in its decree, the juvenile court finds that the child comes within the purview of KRS 208.020 (1) or (2), the court may dispose of the child as provided in sub-section (1) (a), (1) (b) or (1) (c), of this section, except that, if a child comes within the purview of KRS 208.020 (1) (b) or KRS 208.020 (1) (c), or KRS 208.020 (1) (d), the court may not commit the child to the Department of Economic Security unless the Department of Economic Security has indicated to the court that it has facilities and funds available to care for the child and is willing to accept the commitment.

(3) In the event a child commits a new offense, while a ward of the department, the court shall have exclusive, original jurisdiction for the new offense, and may modify all previous orders, including that committing the child to the department. Nothing in this section shall limit the jurisdiction of any other court in assuming jurisdiction of wards of the department between the ages of eighteen and twenty-one years of age who have committed another public offense after attaining the age of eighteen.

(4) If a child is disposed of as provided in paragraph (a) or (b), of sub-section (1), of this section, the court may modify or set aside its order at any time, and direct that the child be otherwise disposed of, in accordance with KRS 208.010 to 208.990.

(5) No adjudication by a juvenile court of the status of any child shall be deemed a conviction, nor shall such adjudication operate to impose any of the civil disabilities ordinarily resulting from a criminal conviction, nor shall any child be found guilty or be deemed a criminal by reason of such adjudication.

Section 5. Section 208.280 of the Kentucky Revised Statutes is amended to read as follows:

If it appears that the parent of any child who has been found to fall within the purview of this chapter and who has been left in his own home or in the home of a relative, placed on probation or placed in a foster home or boarding home or in the care of a public or private institution or agency, or the department is able to contribute to the support of the child, the court shall enter an order requiring the parent to pay a reasonable sum from time to time for the support, maintenance or education of the child. The order shall direct that the money be paid to the county clerk to be disbursed as ordered by the court or be paid to the person, institution, department or agency to which the child was committed or probated. On such application and on such notice as the court may direct, the court may make alterations in the requirement for contribution. The court may require the parents to give security for payment of the sums due, and shall have the powers of a court of equity in enforcing its orders. The enforcement of a sentence imposed on any parent who fails to comply with such an order of the court may be suspended at the discretion of the court, but the suspension may be revoked at the discretion of the court, upon the failure of the parent to obey further orders of the court.

Section 6. Section 208.320 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties containing a city of the first or second class, the county judge may appoint a chief probation officer of the juvenile court and such number of assistant probation officers, professional and clerical personnel as may be authorized by the fiscal court. Such officers shall receive reasonable salaries to be fixed by the fiscal court, and shall be allowed their actual and necessary expenses incurred in the performance of their duties. The salaries and expenses shall be paid out of the county treasury. The officers shall serve at the pleasure of the county judge. The officers shall be peace officers, with all the powers of the sheriff in making arrests and carrying out the purposes of this Act. A probation officer or any peace officer may take into custody any child that he has reasonable grounds to believe is in violation of conditions of his or her probation, and detain such child for appropriate action by the court.

(2) In any county, the county judge may appoint or designate one or more discreet persons of good moral character to serve as

volunteer probation officers of the juvenile court. Such officers shall serve during the pleasure of the judge and without compensation, except that the fiscal court may authorize the payment of compensation, out of the county treasury to any such officers. Representatives of the Department of Economic Security may be appointed or designated as such volunteer probation officers, but without compensation from county funds.

(3) If the Department of Economic Security deems it necessary, it may appoint a child welfare worker to cooperate with the Court.

Section 7. Section 208.340 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) No probation officer or police officer, nor employee of a probation office or police department shall, without the consent of the County Judge, divulge or communicate to any person any information obtained pursuant to the discharge of his duties pertaining to children, nor shall any record of the actions of the probation officer or police officer in such behalf be made public except by leave of the County Judge. Provided, that nothing in this sub-section shall prohibit the probation officer or police officer from divulging or communicating such information to the Court, to his colleagues or superiors in his own department, to another probation officer or police officer having a direct interest in the past record or social history of the child, or to a representative of any public or private social agency, institution, hospital or Church having a direct interest in the past record or social history of the child.

(2) This section shall relieve the probation officer or police officer from divulging such facts as a witness on the trial of any case, or the hearing of any proceedings or the production of such records for use in such trial or proceeding; except that the facts may be divulged or the records produced where the case on trial is an appeal from the Juvenile Court's order, or a case transferred to Circuit Court from Juvenile Court, pursuant to KRS 208.170, and the facts or records relate directly to the child's participation in the offense with which he is charged, if any.

Section 8. Section 208.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates KRS 208.120 shall be fined not less than one hundred dollars nor more than five hundred dollars, or imprisoned in the county jail for not more than thirty days, or both.

(2) Any person who transports or causes or permits a female child to be transported in violation of subsection (1) of KRS 208.260 shall be fined not less than one hundred dollars nor more than five hundred dollars.

(3) Any person who violates subsection (2) of KRS 208.260 shall be fined not more than one hundred dollars.

(4) (a) Any adult person who violates subsection (3), of KRS 208.020, shall be fined not more than five hundred dollars or imprisoned in the county jail or workhouse not more than twelve months, or both;

(b) Instead of the penalty imposed by paragraph (a) of this subsection, the court may suspend the sentence or release the defendant on probation upon his recognizance, with or without sureties. The defendant may be ordered during the effective period of his probation to make his personal appearance in court from time to time, and shall provide and care for the child as directed by the court, and shall further comply with the orders of the court. If the court is satisfied on information or proof under oath that the defendant has violated the terms of the order, it may revoke the order and sentence him under the original order of conviction.

Section 9. Section 208.470 of the Kentucky Revised Statutes is hereby repealed.

Section 10. Sections 199.320 and 199.990 (2), of the Kentucky Revised Statutes are hereby repealed.

Section 11. Section 200.110 of the Kentucky Revised Statutes is hereby repealed.

Committee on Insurance reported **HB 32** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 32, AN ACT relating to insurance which may be written by assessment or cooperative insurance companies other than life and amending KRS 299.010, KRS 299.310, and KRS 299.380.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 299.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) The provisions of this chapter do not apply to secret or fraternal societies, lodges, or councils that are under the supervision of a grand or supreme body and secure members through the lodge system exclusively, and pay no commissions and employ no agents except in the organization and supervision of the work of local subordinate lodges or councils, nor do they apply to companies, societies or associations organized under the authority and patronage of any church or religious denomination for the exclusive purpose of insuring the property of churches or religious denominations and the personal property of the pastors and ministers thereof against loss or damage by fire, lightning or storm.

(2) As used in this chapter, unless the context requires otherwise:

(a) "Director" or "Commissioner" means the Commissioner of the Department of Insurance.

(b) "Policy" means any policy, certificate of membership, or contract of insurance.

(3) "Company," as used in KRS 299.020 to 299.300, means any corporation, association or society transacting in this state a life or casualty insurance business, or both, upon the cooperative or assessment plan, as defined in KRS 299.020.

(4) "Company," as used in KRS 299.310 to 299.470, means any corporation organized under KRS 299.310 and 299.320 for the purpose of transacting, and any company heretofore organized under any similar law of this state or under the general corporation laws of this state that is transacting, the business of insurance against physical loss or damage of property by such hazard or hazards as it may provide in its policies, upon the cooperative or assessment plan.

Section 2. Section 299.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) Twenty-five or more persons residing in any one or more adjoining municipalities, or in any county, or in not more than ten adjoining counties, who collectively own property of the value of fifty thousand dollars or more, may organize a company for the purpose of cooperative or assessment insurance against physical loss or damage of property by such hazard or hazards as it may provide in its policies by making and acknowledging a certificate setting forth their intention to form such a company, the counties or municipalities in which it intends to do business, its corporate name, and the place where its principal office is to be located. Every person insured in such a company who signs an application for insurance as required by the certificate of incorporation or the bylaws of the company shall thereby become a member.

(2) No money shall be collected by any person on behalf of the company until two of the members or organizers have given joint bond to the director in the sum of ten thousand dollars, conditioned that all money so collected will be used as directed by law, and that the affairs of the company will be conducted according to law. The bond shall be held by the director for the benefit of the members of the company until the company has become legally incorporated and its affairs have been examined by an expert accountant, appointed by the director, and found to be in due and regular form, and immediately thereafter the bond shall be cancelled.

(3) No company shall be formed under KRS 299.310 to 299.470 for the purpose of transacting any business of insurance other than as prescribed in those sections, and no company shall insure against any loss other than the ones permitted by those sections. Any company operating under the provisions of KRS 299.310 to KRS 299.470 as of

June 1, 1960, shall be authorized to write all types of insurance allowed under subsection (1) hereof without amendment of its charter or articles of incorporation.

Section 3. Section 299.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) The directors of every company shall cause to be issued policies of insurance signed by their president and secretary, agreeing in the name of the company to pay all losses or damages, not exceeding the amount insured, caused by the risk insured against, as provided by and during the time named in the policy. Every policy shall have attached thereto a printed copy of the bylaws.

(2) A company shall not insure any one risk for more than one thousand dollars for each fifty thousand dollars of reserve fund which the company has at the time the risk is insured plus:

(a) three thousand dollars, if the company has less than two million dollars insurance in force when the risk is insured; or

(b) five thousand dollars, if the company has as much as two million but less than five million dollars insurance in force when the risk is insured; or

(c) six thousand dollars, if the company has as much as five million dollars but less than twelve million dollars insurance in force when the risk is insured; or

(d) five cents for each one hundred dollars of insurance in force at the time the risk is insured, if the company has twelve million dollars or more insurance in force when the risk is insured,

Provided, however, that a company may insure for greater sums any one risk where the company is fully protected by reinsurance, as provided by law, in the amounts in excess of that set out above.

Committee on Municipalities reported **HB 48, HB 56, SB 176, HB 216, SB 141** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 48, AN ACT relating to members of the general council of cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 84.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) Members of the general council shall be elected for two years and until their successors have qualified.

(2) Each member of the general council shall reside in the city for two years next preceding his election, and shall at the time of his election, be a citizen of Kentucky and a housekeeper or owner of real estate in the city. At the time of his election, each councilman

shall be at least twenty-four years of age and shall have been, for one year, a bona fide resident and voter of the ward for which he is chosen, and each alderman shall be at least thirty years of age.

(3) No person shall be eligible to be a member of the general council if, at the time of his election, he is interested in any contract with the city or in any application therefor, or is in arrears to the city for money or property collected or held, or has been convicted of malfeasance in office, bribery or other corrupt practice of crime, or holds any office or employment in any corporation that has or is an applicant for a contract with the city, the terms, rates or prices of which are subject to modification or inforcement by the general council. Mere stockholders in such corporations are not ineligible for that reason, but shall not vote on or interfere with any matter of question affecting that corporation in any manner other than it affects the general public.

(4) At any time after the election of a member of the general council, the absence or cessation of any of the qualifications listed in subsection (2) of this section, or the occurring of any of the disqualifications listed in subsection (3) of this section, shall work a forfeiture of his office, and the general council shall so declare.

(5) For anything said in debate, members of the general council are entitled to the same immunities and protection allowed to members of the General Assembly.

HB 56, AN ACT relating to zoning and planning in cities of the third through sixth classes and in counties containing such cities, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Any city of the third, fourth, fifth or sixth class and the county in which such city is located are hereby authorized and empowered to enter into an agreement to regulate the physical development, including planning and zoning, of the incorporated area of such city and the unincorporated area of such county. Such agreement shall be in writing and submitted to the legislative body of such city and the fiscal court of such county, for approval or disapproval. If approved, the provisions of this Act and said agreement shall become effective upon the adoption thereof by a mutual ordinance and order passed by such legislative body and by such fiscal court, respectively, setting forth therein said written agreement, and authorizing the execution and delivery of same. Thereupon said agreement shall be recorded in the office of the clerk of the county court of such county, and the city clerk or other appropriate official of such city.

(2) In the event that more than one city in such county desires to avail itself of the benefits of this Act, such additional city or cities are hereby authorized and empowered to enter into an agreement

or agreements as set out in subsection (1) of this Section with such county, with the territorial jurisdiction of the joint city-county planning commissions terminating at a line or lines equi-distant from the respective corporate limits of the participating cities or in the event that such division is not practical at a line or lines mutually agreed upon by the city-county commissions involved. If agreement cannot be reached by the commissions involved, then it shall be the duty of the fiscal court to determine such line or lines.

(3) The territorial jurisdiction of a joint city-county planning commission shall not include the incorporated area of any city which does not enter into an agreement with the county to participate in a joint city-county planning commission as set out in subsection (1) of this Section.

Section 2. Such city or cities and such county are hereby authorized and empowered to make, adopt, adjust, amend, extend, and add to, by appropriate ordinances and orders, joint and comprehensive city and county planning and zoning plans, including rules and regulations for the enforcement thereof; and may jointly create:

(1) One or more joint city and county planning commissions, hereinafter called "commission", with the powers, duties and functions hereinafter set forth; and

(2) One or more joint city and county boards of zoning adjustment and appeals, hereinafter called "board", with the powers, duties and functions hereinafter set forth.

Section 3. (1) It shall be the function and duty of each commission to prepare and approve a comprehensive plan for the physical development of the city and the area of the county encompassed by the territorial jurisdiction of each commission, and to submit and recommend same to the fiscal court and to the legislative body of the city for adoption or rejection. The legislative body or the fiscal court may adopt that portion of the comprehensive plan or parts thereof that pertain to its area of jurisdiction separate from the action of the other body.

(2) Said comprehensive plan shall show and include:

(a) A Master plan, as defined and provided for in KRS 100.046 through 100.051;

(b) A zoning plan and regulations and restrictions relating thereto, as defined and provided for in KRS 100.066 through 100.073 and

(c) Subdivision control regulations and restrictions relating thereto, as defined and provided for in KRS 100.087 through 100.093.

(3) In the preparation of the comprehensive plan, and at all times thereafter, it shall be the duty of the commission to consult and advise with public officials and agencies, including the city and county board of health or its successor or successors, public utility companies, civic, educational, agricultural, professional and other or-

ganizations, and with citizens, regarding the preparation, protection and carrying out of the plan. The commission, its members, officers, and employees, in the performance of their duties and functions, may enter upon any land and make examinations and surveys that do not occasion damage or injury to private property. In general, the commission shall have such powers as may be necessary to enable it to fulfill its duties and functions, to promote city and county planning, and to carry out the purposes of this Act.

(4) The commission may, from time to time, recommend to the appropriate public officials programs for the acquisition of land and the construction of public structures and improvements, and for the financing thereof.

(5) The commission shall have power to promote public interest in an understanding of the comprehensive plan, and part and parts thereof, and to that end may publish and distribute copies thereof, or of any report relating thereto, and may employ such other means of publicity and education as it may determine.

(6) From and after the time the subdivision control regulations and restrictions of a joint city-county planning commission are adopted and in force, the provisions of KRS 100.720 which authorize city planning commissions to exercise subdivision control over land located outside the corporate limits of cities shall not apply within the area of jurisdiction of such joint city-county planning commission. Similarly, the provisions of KRS 100.650, 100.730, 100.760, 100.780, 100.790 and any other provisions of Kentucky Revised Statutes which give specific or implied authority to city legislative bodies and city planning commissions to include and regulate land located outside the corporate limits of cities in the major street plans or in any other portions or elements of the master plans of cities, shall not apply within the area of jurisdiction of a joint city-county planning commission from and after the time the subdivision control regulations and restrictions of such joint city-county planning commission are adopted and in force.

Section 4. The commission shall be composed of four ex officio members, who shall be the mayor, a member of the legislative body of the city selected by the legislative body, the county judge or a member of the fiscal court, and the road engineer of such county or another member of the fiscal court, and four citizen members, two to be appointed by the mayor and two to be appointed by the county judge. The two citizen members appointed by the mayor shall be residents within the corporate limits of such city. The two citizen members appointed by the county judge shall be residents of that portion of the county lying outside the corporate boundaries of such city, but inside the area comprising the territorial jurisdiction of the commission. The term of each ex officio member shall correspond to his respective official tenure. The terms of the citizen members shall be four years, and until their successors take office, except that the original terms shall be one and four years, respectively, for the two citizen members appointed by the mayor and two and three years, respectively, for the two citizen members appointed by the county judge. The mayor or the county judge shall appoint successors of citizen members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the commission shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A citizen member may be removed by the appointing official for inefficiency, neglect of duty, malfeasance, or improper conduct. The appointing official shall file with the commission a written statement setting forth the reasons for such removal.

Section 5. The commission shall elect, from among its citizen members, a chairman and vice-chairman. In the absence of the chairman, the vice-chairman shall act and have all of the powers and duties of the chairman. The terms of the chairman and vice-chairman shall each be for one year. The commission shall hold at least one regular meeting in each calendar quarter. It shall adopt bylaws for the transaction of business and keep minutes and records of all of its proceedings, showing its resolutions, transactions, findings and determinations, and the vote of each member on each question, or, if absent, or failing to vote, indicating such fact, all of which shall be immediately filed in the office of the commission and shall be public records. Both the ex officio members and the citizen members, except the chairman, shall be entitled to vote on any subject or matter before the commission, and five members including the chairman or acting chairman shall constitute a quorum for the transaction of any business. However, approval of any ordinance, regulation or order shall be made only by majority vote of the entire commission. In case of a tie vote or a deadlock, the chairman shall have the power to vote and shall cast his vote and break such tie vote or deadlock. The commission shall prepare and submit to the fiscal court and to the city legislative body proposed amendments to the comprehensive plan or any portion thereof, and such amendments shall become effective in the same manner as provided for the adoption of the comprehensive plan or portions thereof in Section 3 of this Act. Proposed amendments to the comprehensive plan or any portion thereof which are not submitted to the fiscal court or city legislative body by the commission shall not be acted upon by the fiscal court or city legislative body until such proposed amendments have been submitted to the commission for approval. In case of disapproval by the commission, the commission shall communicate the reasons for such disapproval to the fiscal court or city legislative body, and a recorded vote of not less than two-thirds of the entire membership of the fiscal court or city legislative body shall be necessary to overrule such disapproval. The failure of the commission to act within ninety days after the official submission of a proposed amendment to the commission shall be deemed approval.

Section 6. The commission shall designate and appoint an enforcement officer who may be a member of the commission, who shall be charged with and provided with the authority to enforce the ordinances, regulations, and orders of the commission and to issue zoning permits and certificates of occupancy. The commission may fix a reasonable schedule of fees for the issuance of such permits and certificates.

Section 7. (1) The board of zoning adjustment and appeals shall be composed of six members, none of whom shall hold any other city or county office, except that one may be a citizen member of the commission. Three of the members shall be appointed by the city legislative body and the other three by the fiscal court. Terms of office shall be three years, except that of the original appointments by the city legislative body one shall be for one year, one for two years, and one for three years, and that of the original appointments by the fiscal court one shall be for one year, one for two years, and one for three years. The city legislative body or the fiscal court shall appoint successors of members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the board shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A member may be removed for cause by the appointing authority upon written charges and after public hearing.

(2) The board shall elect a chairman and a vice-chairman. In the absence of the chairman, the vice-chairman shall act and have all of the powers and duties of the chairman. The terms of the chairman and vice-chairman shall each be for one year. The chairman shall have the right to vote on any subject or matter before the board only in case of a tie vote or a deadlock in order to break such tie vote or deadlock. Meetings of the board shall be held at the call of the chairman and at such other times as the board determines.

Section 8. (1) The board of zoning adjustment and appeals may:

(a) Adopt by laws for its own government, not inconsistent with any law, city ordinance, or order or resolution of the fiscal court, with reference to the plans under consideration by the board;

(b) Hear and decide appeals and applications for special exceptions;

(c) Authorize, upon application or appeal, such variances from the terms of the ordinance or order, or of any plans, rules or regulations made thereunder, as will not be contrary to the public interest, where a literal enforcement of the provisions of the ordinance, order, plans, rules or regulations would result in unnecessary hardship, and so that the spirit of the ordinance or order shall be observed and substantial justice be done.

(2) In exercising its powers, the board may reverse, affirm or modify an order or decision of an administrative official.

(3) The concurring vote of a majority of the entire membership of the board shall be necessary in making any decision.

Section 9. (1) In the event that no city in such county desires to avail itself of the benefits of this Act, the fiscal court of such county is hereby authorized and empowered to regulate the physical development, including planning and zoning, or the unincorporated areas of such county. The intention to so regulate by such county shall be indicated by an order passed by such fiscal court which shall: create a county planning commission and a county board of zoning adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with the functions, powers and duties hereinbefore provided for joint city-county commissions and boards; provide for the personnel and staff of such county commission and board including an enforcement officer; and provide for the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(2) The fiscal court, in order to determine that no city in such county desires to participate in a joint city-county planning commission shall submit a petition of inquiry to the legislative body of the third through sixth class city or cities, which must be answered in writing by the city legislative body within sixty days. If no answer to the petition is forthcoming from the city within sixty days, the fiscal court shall interpret this as a negative reply.

(3) A county planning commission shall be composed of two ex officio members, who shall be the county judge, and either a second member of the fiscal court appointed by the fiscal court or the county road engineer, and six citizen members appointed by the county judge, who shall be residents of the unincorporated areas of the county. The term of each ex officio member shall correspond to his respective official tenure. The terms of the citizen members shall be four years, and until their successors take office except that the original terms shall be for one year for one member, two years for two members, three years for one member, and four years for two members. The county judge shall appoint successors of citizen members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the commission shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A citizen member may be removed by the appointing official for inefficiency, neglect of duty, malfeasance, or improper conduct. The appointing official shall file with the commission a written statement setting forth the reasons for such removal. The bylaws and powers pertaining to the officers of

the county commission, meetings, records, rates, quorum and enforcement shall be the same as those permitted when a city of the third through sixth class joins with its county or part thereof to form a joint commission.

(4) When a county planning commission exists and a zoning ordinance has been adopted, a county board of zoning adjustment and appeals shall be appointed. The board shall be composed of six members, who shall be residents of the unincorporated areas of the county, none of whom shall hold any other county office except that one may be a citizen member of the planning commission. All six members shall be appointed by the fiscal court. Terms of office shall be three years, except those of the original appointments, of which two shall be for one year, two for two years, and two for three years. The fiscal court shall appoint successors of members within thirty days after the expiration of their terms, or after a vacancy otherwise occurs. The members of the board shall, before entering upon their duties as such, qualify by taking the necessary oath of office before the county judge of such county. A member may be removed for cause by the appointing authority upon written charges and after public hearing. The board shall have the same powers and duties as set forth for joint city-county boards of zoning adjustment and appeals.

Section 10. In instances where there is no incorporated city in a county, the fiscal court may appoint a county planning commission and a board of zoning adjustment and appeals in order to avail the county of the benefits of this statute. The organization, functions, powers and duties of such commission and board will be the same as those provided for in Section 9 of this Act.

Section 11. (1) Any person, firm, corporation, organization, taxpayer, public official or government department, agency, board, or bureau affected by any decision, order or ruling of the board of zoning adjustment and appeals may appeal from such action or decision to the circuit court, and jurisdiction is hereby given to such circuit court to herein determine all questions and issues properly brought before it on such appeal. Such appeals shall be taken to said circuit court within thirty (30) days after rendition of such official decision, order or ruling by giving notice of the appeal to said board and all other parties of record and by filing in the office of the clerk of said circuit court a statement of appeal setting forth the decision, order or ruling appealed from, the date thereof, and the reasons and grounds for said appeal, and attaching thereto as a part thereof a certified copy of said decision, order or ruling.

(2) After the appeal is taken the procedure shall be governed by the Kentucky Rules of Civil Procedure, subject to the provisions of subsections (3), (4), (5), (6), (7), and (8) of this section, and all parties to the proceeding shall have the right to any and all processes, includ-

ing, but not limited to, subpoenas, allowed in other cases in said circuit court.

(3) Summons shall issue upon the statement of appeal directing the adverse parties to file answer within twenty (20) days after service of the statement of appeal and directing the board to certify its complete record of the case to the court, or if the parties consent, an abstract of the record.

(4) An appeal shall stay all action by all parties of record in the matter appealed from.

(5) No new or additional evidence may be introduced in the circuit court except as to the misconduct of some person engaged in the administration of this Act or an ordinance or order enacted thereunder which affects the decision, order or ruling, but the court shall otherwise hear the cause upon the record or abstract as certified by the board and shall dispose of the case in a summary manner, its review being limited to determine whether or not:

(a) The board acted in excess of its power;

(b) The decision, order or ruling was the result of misrepresentation, fraud, bad faith or abuse of discretion;

(c) The decision, order or ruling is in conformity with the provisions of this Act or any ordinance or order adopted pursuant thereto.

(6) The court shall enter judgment affirming, modifying or setting aside the decision, order or ruling, or in its discretion, remanding the case to the board for further proceedings in conformity with the direction of the court. The court may, in advance of judgment and upon a sufficient showing of fact, remand the case to the board.

(7) Appeals may be taken from the circuit court to the Court of Appeals.

(8) Appeals to the circuit court and to the Court of Appeals shall have preference in trial over all other civil actions.

Section 12. Whereas the public welfare demands that the benefits of planning and zoning be made available to all of the Commonwealth's counties at the earliest possible time, an emergency is hereby declared to exist, and this Act shall become effective immediately upon its passage and approval by the Governor.

SB 176, AN ACT relating to the powers of cities in the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The legislative body of any city in the Commonwealth of Kentucky as now or hereafter constituted are hereby authorized and empowered to exercise all the rights, powers, franchises and privileges which such cities deem requisite for the welfare of the people of such city, and for the effectual administration of all local government within the territory now or hereafter embraced within the limits of such city, to the same extent and with the same force and effect as if the General Assembly had by this act granted and delegated to such legislative bodies powers to do any and every specific thing within the right of the General Assembly to grant to cities.

Section 2. It is the intention by this Act to enable cities to enact, amend and repeal local laws for the purpose of fully and completely exercising the powers granted to cities by the terms and spirit of such Act. It is not the intention to abolish or curtail any powers or rights heretofore conferred upon or delegated to a city or to any board, body or officer thereof, unless a contrary intention is clearly manifest from the express provisions of this Act nor to restrict the powers of the General Assembly to pass laws regulating matters of state concern as distinguished from matters relating to the property, affairs or government of cities.

Section 3. The powers herein granted shall be in addition to all other powers granted to cities by other provisions of law. A permissive procedure authorized by this Act shall not be deemed to be exclusive or to prohibit the use of any other procedure authorized by any Act of the General Assembly or local law but shall be deemed an alternative thereto.

Section 4. Sections 83.011 and 83.012 of the Kentucky Revised Statutes are hereby repealed.

HB 216, AN ACT relating to the merger or consolidation of cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any two or more contiguous cities in the Commonwealth may merge or consolidate into one city by a majority vote of each city at elections called for such purpose.

Section 2. The legislative bodies of each of the cities desiring to merge or consolidate shall enact ordinances proposing the merger or consolidation and calling elections in the respective cities to determine the desire of the voters.

Section 3. Such elections shall be held not less than thirty days nor more than sixty days after the last of said ordinances is enacted. The qualifications of voters and all other matters in regard to the election shall be governed by the general election laws. The question shall be submitted in substantially the following form:

Are you in favor of merging or consolidating the city of——— and the city of—————into one city, to be known as the city of—————?

yes———
no———

Section 4. If a majority of the legal votes in each city favor the merger or consolidation, then in thirty days after the certification of the results of the election the cities shall be merged or consolidated.

Section 5. All elected officials shall continue to hold their offices in the newly formed city, until their respective terms of office expire and the combined legislative body of the new city shall designate the person to sign official documents on behalf of the city.

Section 6. A merger or consolidation shall not impair contractual obligations of either of the combined cities. Tax levies authorized for the payment of interest and the retirement of bonds or to create sinking funds for such purposes shall continue to be levied and collected over the same area by and for the new governing body in accordance with the laws under which the levies were originally made until all bonded obligations of the old city have been retired.

Section 7. An emergency is declared to exist and this Act shall become effective from and after its passage and approval by the Governor.

SB 141, AN ACT providing for the merger or consolidation of cities by vote of the people:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any two or more cities in the Commonwealth may merge or consolidate into one city by a majority vote at elections called for such purpose;

Section 2. The legislative bodies of each of the cities desiring to merge or consolidate shall enact ordinances proposing the merger or consolidation and calling elections in the respective cities to determine the desire of the voters;

Section 3. Such elections shall be held not less than 30 days, nor more than 60 days, after the last of said ordinances are enacted, and the qualifications of voters and all other matters in regard to said elections shall so far as possible be governed by the general election laws and the question shall be submitted in substantially the following form:

"Are you in favor of the merging or consolidation of the city of___________________and the city of___________________into one city to be known as the city of___________________________________

Yes

____

No

_________"

Section 4. If a majority of the legal votes cast at such election in all of the cities, each city being a separate unit in the elections, proposing to merge or consolidate shall favor the merger or consolidation, then 30 days after the certification of the results of such election said cities shall become one city of the class of the largest of the old cities, but if a majority of the legal voters in either city vote "NO", the merger or consolidation shall fail.

Section 5. The members of the legislative bodies of the merging cities shall continue to hold their offices in the new city, until their respective terms of office expire, and shall constitute a combined legislative body of the new city.

Section 6. Such merger or consolidation shall not in any manner impair contractual obligations of either of the cities.

Section 7. An emergency is declared to exist and this Act shall be in full force from and after its passage and signature by the Governor.

Committee on Ky. Statutes #1 reported **HB 236, HB 235, HB 238, HB 237** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 236, AN ACT relating to the administration of estates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Upon the death of a patient, or of a person who has been a patient, in a hospital or school operated by the Department of Mental Health, or upon the death of a person who is obligated under KRS 203.080 for the support of such a patient when such person is possessed of an estate, the executor or administrator of the deceased's estate shall upon receipt of letters of appointment, ascertain from the Department whether the support as provided in KRS 203.070 and 203.090 has been fully paid.

HB 235, AN ACT relating to the Department of Mental Health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 210.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Mental Health shall be a qualified physician with approved training in psychiatry and with a minimum of five years' successful experience in clinical psychiatry and administrative psychiatry. The assistant commissioner shall have the same qualifications, except that the minimum experience shall be three years. Professional personnel of the department shall possess such qualifications as are prescribed by the commissioner.

(2) The compensation of the commissioner shall be fixed by

the Governor, without regard to any limitation imposed by KRS 64.640. The compensation of other personnel of the department shall be fixed by the commissioner in accordance with KRS 64.640 and 64.650.

Section 2. Section 210.040 of the Kentucky Revised Statutes is amended to read as follows:

The Department of Mental Health shall:

(1) Exercise all functions of the state in relation to the administration and operation of the state institutions for the care and treatment of the mentally ill;

(2) Establish or acquire, in accordance with the provisions of KRS 56.440 to 56.550, other or additional facilities for psychiatric care and treatment of persons who are or may become state charges;

(3) Cooperate with the Department of Health and with other state agencies for the development of a state-wide mental health program looking toward the prevention of mental disease and the post-institutional care of persons released from public or private mental hospitals;

(4) Provide for the custody, maintenance, care and medical and psychiatric treatment of the patients of the institutions operated by the department;

(5) Provide psychiatric consultation for the state penal and correctional institutions, and for the state institutions operated for children or for the mentally defective;

(6) Administer and supervise programs for the non-institutional care or mentally ill persons;

(7) Supervise private mental hospitals receiving patients committed by order of a court.

Section 3. Section 210.080 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Mental Health may transfer any employe between the institutions operated by the department, or to the headquarters of the department. Necessary moving expenses involved in such transfers shall be paid by the department.

Section 4. Section 210.090 of the Kentucky Revised Statutes is amended to read as follows:

Neither the commissioner nor the assistant commissioner of the Department of Mental Health shall be permitted to engage in any political activity.

Section 5. Section 210.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Pursuant to agreement entered into by the heads of the departments concerned, a patient or inmate of a state institution

operated by one state department may be transferred to a state institution operated by another state department, except that:

(a) An inmate may be transferred from a penal or correctional institution only as provided in KRS 202.380 and 431.240;

(b) No patient or inmate may be transferred to a penal or correctional institution unless he has been committed to such institution by judgment of a court;

(c) No patient or inmate may be transferred to an institution for the mentally ill or mentally defective, except for a period of observation not to exceed thirty-five days, unless he has been committed to a state institution for the mentally ill or mentally defective. However, this shall not apply to transfers under KRS 202.380 or 431.240.

(2) When a patient or inmate committed by court order to one institution is transferred to another institution pursuant to this section, the order of commitment shall be deemed to apply to the institution to which transferred.

Section 6. Section 210.180 of the Kentucky Revised Statutes is amended to read as follows:

There shall be established and maintained, at each of the institutions operated by the Department of Mental Health, a canteen which shall be incorporated and self-supporting. The directors of each canteen shall be the Commissioner of Mental Health, the assistant commissioner, and two staff members of the institution. All profits from each canteen shall be used exclusively for the benefit of the patients of the institution.

Section 7. Section 210.270 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Mental Health is authorized to designate such private homes and private nursing homes as he shall deem, after a thorough investigation of the personal and financial qualifications of the owners and tenants, the facilities and management, and the desirability of the location of such homes, to be suitable for the placement of patients outside of the state mental hospitals. The Commissioner of Mental Health is authorized to prescribe, from time to time by regulation, standards for the selection and operation of private homes and private nursing homes designated for the placement of patients. No home of an officer or employe of the Department of Mental Health or of a member of his immediate family shall be designated for the placements of patients.

(2) Whenever the staff of a state mental hospital has determined that a patient who is not being held on an order rising out of a criminal offense has sufficiently improved and is not dangerous to himself or other persons, and that it would be in the patient's best interest to be placed outside of the hospital in a private home or private nursing home, the hospital shall so certify to the Commissioner of Mental

Health, who may then authorize the patient to be transferred to a designated private home or private nursing home for care and custody for such length of time as the commissioner deems advisable.

(3) The provisions of KRS 203.070, KRS 203.080, KRS 203.090, and KRS 203.100 shall apply to patients transferred to designated private homes and private nursing homes as though such patients were residing in a state mental hospital.

Section 8. Section 210.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person may be admitted to a state mental hospital upon the written application of a relative, spouse, friend or guardian, or by a staff physician of a hospital in which the person may be, and upon the certification of two examining physicians that they have examined the person and are of the opinion that he is mentally ill; that because of his illness he is in need of care and treatment in a mental hospital; and because of his illness lacks sufficient insight or capacity to make responsible application therefor. No person shall be admitted to a state mental hospital on the basis of such certification at any time after expiration of fifteen days from the date of the examination.

(2) If the certification of the examining physician states a belief that the person is likely to injure himself or others if allowed to remain at liberty and should immediately be restrained, and the certification is so endorsed by a health or police officer, a warrant may be issued for the arrest of such person and he may be taken into custody and transported to any municipal, county or state hospital as provided in KRS 203.030.

(3) Whenever a patient has been admitted to a hospital pursuant to the provision of this section on the application of any person other than the patient's guardian, spouse, or relative the hospital shall immediately notify the patient's guardian, spouse or relative, if known.

(4) Any patient hospitalized under the provisions of this section who requests to be released or whose release is requested in writing by his parent, spouse, relative or guardian shall be released within five days from the receipt of such request. The hospital shall provide reasonable means and arrangements for informing patients hospitalized under the provisions of this section of their right to release and for assisting them in making and presenting requests for release.

(5) If two staff physicians believe that the patient is dangerous to himself or other persons, or would be benefited by further care and treatment in a hospital, they may within five days after the receipt of the request for release file a certificate in proper court stating that he is mentally ill and recommending his commitment. The court shall follow the procedure that it usually follows when

two staff physicians so certify. After such certificate is filed, the hospital may continue to hold the patient even beyond the expiration of the five-day period referred to in this section until officially notified by the court that an inquest has been held and the person has been found to be mentally well. No fee shall be charged for the certificate of the staff physicians, it being considered a part of the regular state service.

(6) Subject to the rules and regulations of the hospital, every patient admitted under the provisions of this section shall be entitled to communicate with any person or governmental agency, receive visitors, and exercise all the civil rights to which he was entitled prior to his hospitalization.

(7) Any person who wilfully causes, or conspires with or assists another to cause the unwarranted hospitalization of any person under the provisions of this section shall be fined not less than one hundred dollars, or more than five hundred dollars, or imprisoned not less than three nor more than twelve months, or both.

Section 9. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Mental Health may be appointed and act as executor, administrator, guardian, or committee, as provided in this section. In this capacity the department may transact business in the same manner as any individual and for this purpose may sue and be sued in any of the courts of the state. Bond shall not be required of the department.

(2) Whenever a person who has been adjudged incompetent and committed to the department for placement in a state mental hospital or institution for the mentally defective has no committee, the department, acting through its designated officer, may apply to the county court of the county in which the adjudication was made for its appointment as committee for such incompetent person.

(3) Upon the death of a person from whom the department has been appointed committee, or upon the death of a person who has been committed to the department leaving an estate and having no relatives at the time residing within the state, the department may apply for appointment as administrator and upon appointment shall close the administration of the estate.

(4) The department may invest funds held as fiduciary in bonds or other securities guaranteed by the United States, and may sell or exchange such securities in its discretion.

(5) The department shall receive such fees for its fiduciary services as provided by law. These fees shall be placed in a trust and agency account, from which may be drawn expenses for filing fees, court costs and other expenses incurred in the administration of estates. Claims of the department against the estates shall be considered in the same manner as any other claim.

(6) An officer designated by the commissioner may act as legal counsel for any patient in a state mental hospital or institution against whom a suit of any nature has been filed, without being appointed as committee.

Section 10. Sections 210.050 and 210.060 of the Kentucky Revised Statutes are repealed.

HB 238, AN ACT relating to proceeding concerning mentally ill or defective persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 202.005 of the Kentucky Revised Statutes is amended to read as follows:

Wherever used in this chapter, the terms "department" and "commissioner" means Department of Mental Health and Commissioner of Mental Health, except that when they are used with reference to a state institution for the mentally defective, they shall mean Department of Welfare and Commissioner of Welfare.

Section 2. Section 202.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Mentally ill person" means a person having a psychiatric or other disease which substantially impairs his mental health;

(2) "Mentally defective person" means a person with a defect in mental development at birth, or at an early age, and which is of such a degree that he is incapable of caring for himself or managing his affairs and requires supervision, care, training, control or custody for his own welfare or for the welfare of others;

(3) "Defendant" means a person alleged in an inquest to be mentally ill or mentally defective;

(4) "Patient" means a person under observation, care or treatment in a hospital pursuant to the provisions of this chapter or KRS chapter 203;

(5) "Physician" means a person licensed under the laws of Kentucky to practice medicine, or a medical officer of the Government of the United States while in this state on the performance of his official duties;

(6) "Hospital" means a public or private hospital or institution, or part thereof, equipped to provide in-patient care and treatment for mentally ill or mentally defective persons;

(7) "State mental hospital" means a mental hospital or institution, or part thereof, which receives fifty percent or more of its support from state funds.

Section 3. Section 202.020 of the Kentucky Revised Statutes is amended to read as follows:

The circuit courts shall have exclusive jurisdiction of all inquests concerning the commitment or determination of competency of persons alleged to be mentally ill or mentally defective, except that when no circuit court is in session in the county, such inquests may be held by a circuit judge or by the county court, provided, that all inquests upon persons convicted of a crime shall be held only at regular term of the circuit court. When the inquest is held by the county court a fee of three dollars shall be allowed the court for holding said inquest and this fee shall be paid by the county, upon a certified copy of an order of allowance made by the court holding the inquest.

Section 4. Section 202.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any reputable resident of the county having knowledge of a person in the county not serving a sentence in the penitentiary or reformatory, who appears to be either mentally ill or mentally defective may file a petition with the circuit clerk for a determination of the mental condition of such person setting forth facts verified by affidavit. The affidavit may be upon information and belief.

(2) Proceedings for the commitment of a person who has been voluntarily admitted to a state mental hospital, who has been admitted on the request of a health officer, who has been returned to a hospital from another state, or who has been admitted on the application of his spouse, guardian, parent or friends may be initiated by the filing in the proper court of the county in which the hospital is located a certificate of two hospital staff physicians stating that the person is mentally ill or mentally defective and recommending that he be committed. The court shall forthwith hear the case as provided in KRS 202.140.

(3) No mentally ill person or mentally defective person shall be committed to a state mental hospital or an institution for mental defectives unless he has been adjudged to be either mentally ill or mentally defective.

Section 5. Section 202.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) In proceeding initiated by petition, the petition may request:

(a) that the defendant be sent to a hospital for observation, care and treatment of his condition; or

(b) that he be adjudged incompetent; or

(c) both.

(2) The petition shall set forth:

(a) the name and residence of the person concerning whom the petition is filed;

(b) the name and residence of the parents, if living, and if known to the petitioner, or of his legal guardian, if any, and if known to the petitioner;

(c) the name and residence of the husband or wife, if any, and if known to the petitioner;

(d) 1. the name and residence of the person having custody of such person, or if no such person is known,

2. the name and residence of some near relative, or that such person is unknown;

(e) Such other information as may be prescribed by the commissioner.

Section 6. Section 202.050 of the Kentucky Revised Statutes is amended to read as follows:

In each inquest the court shall appoint a member of the bar to represent and protect the interests of the defendant, and the attorney for the Commonwealth also shall prevent the finding of any person to be mentally ill or mentally defective who, in his opinion, is not such.

Section 7. Section 202.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) The defendant, if of legal age, shall be notified of the proceedings by a summons issued requiring the person having custody or residing with the defendant to appear with the defendant at a time and place stated in the summons, not less than three days after service. All other persons named in the petition shall also be notified of the proceedings. If a person summoned as provided in this section fails without reasonable cause to appear and abide the order of the court, he may be proceeded against for contempt of court.

(2) If the petition alleges that the defendant is of violent character and is dangerous, a warrant may be issued for his arrest. Such warrant may be issued by the circuit judge or county judge having jurisdiction of the proceedings as prescribed by KRS 202.020. If any such person is arrested on such warrant, he shall be taken immediately to any hospital or institution having psychiatric facilities approved by the Commissioner of Mental Health and shall be examined by one or more staff physicians or psychiatrists attached to such hospital or institution. If the person is deemed of violent character and confinement is recommended by the examining physician, such person shall be confined in the appropriate hospital or institution to await further legal action as prescribed in this chapter. In counties where hospital facilities are not available, said person may be confined in the county jail for a period not to exceed forty-eight hours.

Section 8. Section 202.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the petition mentioned in KRS 202.040 has been prop-

erly filed with the clerk of the court, the court shall appoint two physicians to examine the defendant and to certify to the court as to whether they find the defendant to require further observation or study in a mental hospital, but if the petition mentioned in KRS 202.040 is for the inquest of one alleged to be mentally defective, the court shall appoint two physicians or one physician and one certified clinical psychologist licensed under the provisions of KRS Chapter 319 to examine the defendant and to certify to the court as to whether they find the defendant to need further study in an institution.

(2) Where possible, the physicians or physician selected shall have made a special study of mental deficiency and mental disease. The examiners, either physicians or physician and certified clinical psychologist, shall be entitled to a fee of ten dollars each for such examination and certification, to be paid by the county in which the petition is filed, upon a certified copy of an order of allowance made by the court holding the inquest.

Section 9. Section 202.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) The certificate shall state that the defendant has been examined by each of the medical examiners making the certificates within three days prior to the date of the certificate, and that in their judgment he shows signs or symptoms of mental illness or mental deficiency, if such be the fact, and that the defendant requires further observation and treatment that can best be provided by a hospital or institution having facilities for such observation or treatment.

(2) The certificate shall be in the form prescribed by the Department of Mental Health, and shall state the facts and circumstances upon which the judgment of the medical examiners is based, and shall be sworn to before a notary or the clerk or judge of the court.

Section 10. A new section of Chapter 202 of the Kentucky Revised Statutes is created to read as follows:

(1) In determining whether the defendant should be sent for observation, care and treatment, the court may in its discretion require other evidence in addition to the petition and the petition and the certificates of the examining physicians, and may require the attendance at the hearing of the physicians and any other witnesses. The defendant or anyone representing him may summon witnesses and present evidence as in other cases.

(2) If the certificate of the medical examiners states that the defendant appears to be in good mental health and that he appears not to require any observation or treatment, the court may discharge the defendant and terminate the proceedings.

Section 11. Section 202.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the certificate of the medical examiners mentioned in

KRS 202.110 states in substance that in the opinion of such examiners the defendant shows signs or symptoms of mental illness or mental deficiency and that he requires further medical examination and observation or treatment of his mental condition, the court may order such person to a state mental hospital, or to a city, county or private hospital in the county having a psychopathic ward or facilities suitable, in the court's opinion, for the care and medical examination, observation and treatment of mental diseases, or, upon receipt of a certificate in writing from the United States Veterans Administration or other agency of the United States Government that facilities are available and that such person is eligible for care or treatment therein, to the said United States Veterans Administration or other agency of the United States Government, for a period of care and further medical examination, observation and treatment of the mental condition of such person not to exceed thirty-five days. Except when a person ordered to a mental hospital or federal agency has been found to be not mentally ill or defective as provided in subsection (2) of this section, the court may not modify, withdraw, revoke or annul the order placing the individual in a mental hospital or federal agency until the expiration of the thirty-five day period. At the request of the hospital the court may extend this period by not more than an additional thirty-five days.

(2) Within thirty days after such an order is made, if a staff physician of the hospital or a responsible medical officer of the United States Veterans Administration or other federal agency to which the person has been ordered, finds that the person is not mentally ill or defective, he shall so certify to the judge who made the order, and after the certificate has been delivered to the judge, may return the person to the county in which is located the court by which the order was made. Upon receipt of the certificate, the judge shall order the discharge of the person, and the clerk shall mail an attested copy of the order to the physician or medical officer from whom the certificate was received.

(3) Within thirty days after admission by court order as provided for in subsection (1) of this section, if two staff physicians of the hospital to which the patient has been ordered, or in the case of the United States Veterans Administration or other federal agency, the responsible medical officer and staff physician of the Administration or other agency, finds that the person is mentally ill or mentally defective, they shall so certify to the court by which the order was made. Thereupon an inquest shall be held in accordance with KRS 202.130 and 202.140, and the court shall admit as evidence the certificate above referred to in this subsection.

Section 12. Section 202.130 of the Kentucky Revised Statutes is amended to read as follows:

No inquest shall be held unless the defendant is in court, except when it appears from the oath or affidavit of two regular practicing physicians that they have examined him and that they believe that his condition is such that it will be unsafe or unwise to bring him into court, or except upon the presentation of an affidavit from two staff physicians of the institution to which the defendant has been admitted under KRS 202.120, 203.020, 203.030, or 203.040 that the defendant is mentally ill or mentally defective.

Section 13. Section 202.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) If the petition has requested that the defendant be adjudged incompetent, the court shall impanel a jury.

(b) If the petition has requested only that the defendant be sent for observation, and if two hospital staff physicians have certified him to be mentally ill or mentally defective and recommended his commitment, or if the proceeding has been initiated by certificate of staff physicians:

1. the court shall impanel a jury if the defendant requests, but otherwise,

2. the court shall hold the inquest without a jury in chambers.

(2) (a) In an incompetency proceeding the following oath shall be administered to the jury: "You do swear that you will well and truly inquire and from the evidence say in your verdict whether the person whom you have in charge is incompetent to manage his affairs, and if so, whether he is mentally ill or mentally defective; whether he is in need of care; that you will also determine his place of birth and residence, and whether he has been brought into this state by any person, and by whom, for the purpose of becoming a charge of the Commonwealth. You will find what estate, and the value thereof, he owns in possession, reversion or remainder; whether his parents are alive, where they reside, and whether they have estate sufficient to support him, and if married, where his or her spouse resides, and whether such spouse has an estate sufficient to support him.

(b) In a commitment proceeding when a jury is used the jury shall be sworn to find whether or not the defendant is mentally ill or mentally defective.

(c) The court shall instruct the jury upon the whole case.

(3) In any case the court may in its discretion require other evidence in addition to the petition and the certificate of the hospital staff, and may require the attendance at the hearing of the certifying staff members and any other witnesses. The defendant or anyone representing him may summon witnesses and present evidence as in other cases.

Section 14. Section 202.145 of the Kentucky Revised Statutes is amended to read as follows:

It shall be the duty of the clerk of the court, immediately upon the rendering of a judgment in an inquest proceeding adjudging a person to be incompetent, or a restoration of same, within not more than twenty-four hours thereafter, to file an attested copy of said judgment in the office of the clerk of the county court of the county in which said judgment was rendered, which copy shall be filed and not recorded by the county clerk but indexed in the book in which notices of action and encumbrances are indexed. For each filing the county clerk shall receive a fee of fifty cents which shall be taxed as costs of the inquest by the clerk of the court filing same; provided, however, should the person adjudged be without any estate, or a pauper, the county clerk shall receive, file and index said judgment without the payment of any fee. Unless a copy of said judgment is filed in said county clerk's office, the judgment shall not constitute notice to any subsequent bona fide purchaser for value, mortgagee, or encumbrancer.

Section 15. Section 202.160 of the Kentucky Revised Statutes is amended to read as follows:

The court may order the defendant to a state mental hospital, or to an institution for the mentally defective, as the facts warrant, or, where eligible, to the United States Veterans Administration or other federal agency as provided in KRS 388.350, or may commit him to a properly licensed private hospital or institution approved by the commissioner or to a committee whom the court finds to be proper and competent to minister to his welfare, except as otherwise provided.

Section 16. Section 202.165 of the Kentucky Revised Statutes is amended to read as follows:

Whenever, in an inquest for the commitment of any person who appears to be mentally ill or mentally defective it is determined that the defendant is either mentally ill or mentally defective, or a drug addict, including alcoholic, and the defendant is eligible for care or treatment by the United States Public Health Service or other agency of the United States Government, the court of the county in which such person is found, having jurisdiction in such matters, upon receipt of a certificate from the United States Public Health Service or such other agency showing that facilities are available and that such person is eligible for care or treatment therein, may commit such person to the United States Public Health Service or other agency of the United States Government for care or treatment. Thereafter such person, upon admission to any such facility, shall be subject to the rules and regulations of the United States Public Health Service or other agency of the United States Government. The chief officer of any such facility or institution to which such person is committed under the provisions of this section shall be vested with the same powers as are exercised by the state mental hospitals with respect to the retention, transfer, parole, or discharge of the person so committed. Notice of such pending commitment proceedings shall be furnished the person whose commitment is sought and his right to appear and defend shall not be denied. The judgment or order of commitment by a court of competent jurisdiction of another state or the District of Columbia committing a person to the United States Public Health Service or other agency of the United States Government, for care or treatment, shall have the same force and effect as to such person in this state as in the state in which is situated the court entering such judgment or making such order.

Section 17. Section 202.170 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Mental Health shall prescribe from time to time, by regulations, for the designation of hospital districts, for the purpose of determining to which of the state institutions for the mentally ill the persons admitted from each county shall initially be sent.

Section 18. Section 202.180 of the Kentucky Revised Statutes is amended to read as follows:

The judge of the court which orders any person to a state mental hospital shall at once, by wire or letter, notify the institution that such order has been made, advising of the sex and condition of the person.

Section 19. Section 202.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the hospital receives the notice provided for in KRS 202.180, it shall immediately send a competent attendant or shall designate a competent person from the county in which the person has been ordered to the institution to convey the person to the institution, and only the actual traveling expenses of conveying any person to the institution shall be paid. Each female committed to any institution shall be accompanied by a female attendant, unless accompanied by her father, brother, husband or son.

(2) The hospital shall itemize the expenses of conveying all such persons to the institution and shall send a statement thereof to the commissioner's office which shall present the statement to the Department of Finance, and the expenses shall be paid in the manner provided for the payment of claims.

(3) In returning any patient to the county from which he was sent, when necessary, the cost of returning him shall be paid in the same manner.

(4) Only one person shall be paid out of the State Treasury for conveying a patient.

Section 20. Section 202.210 of the Kentucky Revised Statutes is amended to read as follows:

With the commitment of a person to a hospital, a copy of the petition, the certificate of the examining physicians, and the order of commitment shall be sent to the hospital.

Section 21. Section 202.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) If there is not room in the institution for the person sought to be committed, the hospital shall return the papers to the judge, and thereupon, without further proceedings, the judge shall, unless otherwise specially provided by law, issue a supplementary order committing such person to guardianship until a vacancy exists in the institution. In such case the judge shall send to the hospital a copy of the supplementary order of commitment to guardianship and a copy of the original order of commitment, the petition and the certificate of mental illness.

(2) When a vacancy occurs in the institution, the hospital shall immediately notify the judge and clerk of the court having charge of the patient and shall send an attendant to convey the patient to the institution. The patient shall be delivered to the attendant immediately upon arrival and the commitment to guardianship shall thereupon cease and the original order of commitment to the institution shall take effect.

Section 22. Section 202.240 of the Kentucky Revised Statutes is amended to read as follows:

No order shall be made by any court or officer for sending a mental defective to any mental hospital, nor shall such mental defective be received therein unless the jury by their verdict on the inquest, or the court if there is no jury, finds that he is so dangerous or uncontrollable that he cannot be safely and properly kept by a committee within the county.

Section 23. Section 202.250 of the Kentucky Revised Statutes is amended to read as follows:

The hospital may refuse to receive any person upon an order of commitment if the papers presented with such person do not comply with the provisions of this chapter.

Section 24. Section 202.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the court which holds the inquest orders an additional guard, his expenses shall be paid by the county and the costs shall not exceed seven cents per mile to be calculated by the nearest traveled route and all actual necessary expenses for feeding and lodging the patient.

(2) No allowance for expenses of either guard or patient to and

from the hospital or institution shall be made unless a written application has been made previously to the hospital or an order of the court has been made to convey the patient to the hospital immediately because of his violent and dangerous character.

Section 25. Section 202.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the staff of a mental hospital or institution believes a person committee to it is no longer mentally ill or mentally defective, it shall file a written certificate in the court which adjudged him to be mentally ill or mentally defective and a copy with the department. The certificate shall be prima facie evidence that the person is a well person.

(2) (a) If the person had been committed without being declared incompetent, the court shall forthwith order his discharge.

(b) If the person had been committed and declared incompetent, the court shall hold a restoration proceeding within ten days.

(3) No proceedings for restoration shall be instituted for any person adjudged to be incompetent who has been committed to a hospital until the restoration of such person has been requested by the hospital.

Section 26. Section 202,290 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever it appears from a certificate filed with the court in which a person has been adjudged to be incompetent that such person has been restored to his proper senses the court shall within ten days inquire into the facts either by a jury in open court or at its discretion in chambers and shall make all necessary orders in the premises.

(2) If the court finds such person to be a well person, it shall enter an order and judgment restoring the person and giving him all the rights and privileges of a well person.

Section 27. A new section of the Kentucky Revised Statutes is created to read as follows:

In each restoration proceeding the court shall appoint a member of the bar to represent and protect the interest of the patient and said attorney shall be entitled to a fee of ten dollars for his services to be paid by the county in which the restoration proceedings is held, upon a certified copy of an order of allowance made by the court holding the proceeding.

Section 28. Section 202.300 of the Kentucky Revised Statutes is amended to read as follows:

When a person is adjudged to be a well person and is restored, or discharged from commitment, the clerk of the court shall locate among his records the order adjudging such person to be incompetent or mentally ill or mentally defective and the index thereof and shall note the restoration or discharge thereon and make a sufficient notation upon the margin of the order and of the index, to enable one to forthwith locate the orders in the inquest of restoration, or discharge.

Section 29. Section 202.320 of the Kentucky Revised Statutes is amended to read as follows:

Proceedings for restoration of a person who has been adjudged incompetent but not committed to a hospital may be instituted by the filing of an affidavit by the person seeking restoration, or by his spouse, relative, guardian, or next friend. Written notice of the proceedings for restoration shall be given to the county attorney and to the committee, if any, of the person seeking restoration. If the proceedings are instituted by a person other than the spouse, relative or guardian of the person seeking restoration such notice shall also be given to those persons.

Section 30. Section 202.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the staff of a state institution for mentally defective persons believes that the condition of a patient has sufficiently improved so that his release will not be injurious to him or detrimental to the public welfare, or that he is not a proper case for treatment at a state institution, it may, on filing a written certificate with the Department of Welfare, release such person, unless the person is held on an order rising out of a criminal offense.

(2) Before making such a certificate, the staff shall satisfy themselves by sufficient proof that friends or relatives of the person are willing and financially able to receive and care for such person after his release if he is unable to care for himself. If the person to be released is indigent, he shall be returned to the county judge of the county from which he was committed.

(3) No person shall receive a pauper mental defective into his home without a permit from the Department of Welfare.

Section 31. Section 202.350 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a person, who is being held in a hospital on an order rising out of a criminal offense, is found not to be mentally ill or to have recovered, the hospital shall notify the court which has jurisdiction of such person and such court shall forthwith remove the prisoner from the hospital.

Section 32. Section 202.360 of the Kentucky Revised Statutes is amended to read as follows:

If the hospital staff is unwilling to discharge a person upon request and so certifies in writing, giving its reasons therefor, the county judge of the county in which the institution is situated, may upon such certificate and an opportunity for a hearing thereon being accorded members of the hospital staff, and upon such other proof as may be produced before him, order the discharge of such person, upon such security to the people of the state as he may require for the good behavior and maintenance of the person discharged.

Section 33. Section 202.370 of the Kentucky Revised Statutes is amended to read as follows:

(1) The hospital may permit patients to be removed by their families or friends on trial visit for care outside the hospital for such length of time as may be deemed advisable.

(2) If any patient recovers while on trial visit, the hospital may discharge him as provided in KRS 202.280 or KRS 202.340. Nothing in this section shall apply to patients held under a commitment order for observation or an order rising out of a criminal offense.

Section 34. Section 202.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever an inmate of any penal and correctional institution is reported by the staff of that institution to the commissioner as being so mentally defective or mentally ill that he cannot be properly treated with the facilities at the disposal of the physician, the commissioner shall have a mental examination conducted on such inmate, either by the commissioner himself or some physician of the regular state hospital service designated by the commissioner for that purpose.

(2) If this examination reveals that the inmate is in need of observation and treatment on account of mental deficiency or mental illness, and that such observation and treatment cannot be properly carried out in the institution in which he is incarcerated, the commissioner may then order his transfer to a state hospital, where he shall remain until the staff of the hospital which received him advises the commissioner that his condition has so far improved that he may be returned to the institution from which he came without special jeopardy to his mental health or to the discipline and conduct of the institution. The commissioner shall then authorize his return. If the sentence expires during his stay in the mental institution and he is still mentally ill or mentally defective and fit subject for commitment to a state hospital or institution, the staff of the hospital shall notify the court which sentenced him to the penal institution, accompanying such notification with a petition for inquest.

(3) During the time of prisoner's stay in a state hospital or institution his legal status as a prisoner shall remain unchanged until the termination of his sentence. The hospital staff shall have no authority to parole him, grant him permission to visit relatives or friends outside the hospital, or discharge him. The time a prisoner spends in a state hospital or institution shall be counted as a part of his prison sentence.

Section 35. Sections 202.080, 202.090 and 202.310 of the Kentucky Revised Statutes are repealed.

HB 237, AN ACT relating to custody, support and treatment of mentally ill and mentally defective persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 203.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Mentally ill person," "mentally defective person," "patient," "physician," "hospital," and "state mental hospital" have the same meaning as defined in KRS 202.010;

(2) "Health Officer" means any person charged with enforcing the health laws of the state or any political subdivision thereof;

(3) "Department" means the Department of Mental Health, and "Commissioner" means the Commissioner of Mental Health, except that where the terms are used with reference to a state institution for mental defectives, they shall be deemed to refer to the Department of Welfare and the Commissioner of Welfare.

Section 2. Section 203.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The staff of a state mental hospital may admit for diagnosis, care and treatment any person who is mentally ill or has symptoms of mental illness, and who, being twenty-one years of age or over, applies therefore, and any person under twenty-one years of age who is mentally ill or has symptoms of mental illness, if his parent or guardian applies therefor in his behalf. The application shall be signed by the applicant in the presence of two witnesses.

(2) The staff of a state mental hospital may discharge any voluntary patient who has recovered or whose hospitalization they determine to be no longer advisable. They may also discharge any voluntary patient if to do so would, in their judgment contribute to the most effective use of the hospital in the care and treatment of the mentally ill.

(3) A voluntary patient who requests his release or whose release is requested, in writing, by his guardian, parent, spouse, or adult relative shall be released within five days from the receipt of such request, except as hereinafter provided in this section. If the patient was admitted on his own application and the request for release is made by a person other than the patient, release shall be conditioned upon the agreement of the patient thereto. If the patient, by reason of his age, was admitted on application of his parent or guardian,

his release, prior to attaining the age of twenty-one years, shall be conditioned upon the consent of such parent or guardian.

(4) If the hospital staff believes that the patient is dangerous to himself or to others or would be benefited by further care and treatment in a hospital, it may, within five days after the receipt of the request for release, file in the proper court a certificate signed by two staff physicians stating that the patient is mentally ill and recommending his commitment. The court shall follow the procedure it usually follows when such a certificate is filed. After such certificate is filed, the hospital may continue to hold the patient beyond the expiration of the five-day period referred to in this section until notified by the court that the hearing has been held and the person has been found to be mentally well.

Section 3. Section 203.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) The staff of a state mental hospital shall when requested in writing by a health officer receive and care for any person who needs immediate care and treatment because of mental illness. Such person shall be received for a period not exceeding fifteen days from the date of the request. The request for admission shall be based on a personal examination made within three days of the date of the request, and shall be filed with the hospital at the time of the patient's reception. If the request of the health officer alleges that the person to be admitted is likely, because of his illness, to injure himself or others if not immediately restrained, a warrant may be issued for his arrest and he may be taken into custody and immediately transported to any municipal, county or state hospital where he shall be confined until he can be removed to the state mental hospital designated in the health officer's request. In counties where hospital facilities are not available, said person may be confined in the county jail for a period not to exceed forty-eight hours.

(2) If the staff of the hospital finds that the patient admitted is not in need of hospital treatment, or would not be benefited thereby, the health officer shall upon the written request of the staff, remove the patient within the fifteen-day period prescribed by this section. Failure of the health officer to remove the patient within fifteen days shall render the health officer and the county from which the patient was sent jointly liable for the patient's board for such time as he may be left in the hospital beyond the time limit prescribed in this section. The amount of such board shall be the same rate established by the department under KRS 203.090.

(3) If two staff physicians find that the patient is in need of hospital treatment and would be benefited thereby they shall file in the proper court a certificate stating that the patient is mentally ill and recommending his commitment. The court shall follow the procedure it usually follows when such a certificate is filed. If such

certificate is filed, the hospital may continue to hold the patient, beyond the expiration of the fifteen-day period, until notified by the court that a hearing has been held and the defendant has been found to be mentally well.

Section 4. Section 203.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Legal residents of the state who have become public charges in other states and have been returned to Kentucky because they have been adjudged mentally ill or mentally defective by the state returning them, may be immediately admitted to a state hospital at the request of any health officer. If no health officer is available for the purpose, the staff of the Kentucky hospital may receive such patient directly from the out-of-state official who has him in custody.

(2) Immediately upon admission the hospital shall notify the circuit court, or the county court if the circuit court is not in session, accompanying the notice with a certificate stating that the patient is mentally ill or mentally defective, and recommending his commitment, holding the patient in custody until the hearing is ordered by the court; however, if the admission be to a mental hospital, the court instead of appointing physicians to make the examination as provided in KRS 202.100 and 202.110 may admit as evidence the affidavit of two staff physicians of the hospital in which the patient has been confined that the defendant is mentally ill or mentally defective.

Section 5. Section 203.045 of the Kentucky Revised Statutes is amended to read as follows:

In no case where the certificate or affidavit of staff physicians is admitted as evidence in a proceeding to determine whether a person should be committed to a hospital shall any fee be charged, it being considered a part of the regular state service.

Section 6. A new section of the Kentucky Revised Statutes is created to read as follows:

Any non-resident who has been committed to a mental institution in another state and who escapes therefrom and is found in this state may be apprehended upon notice from the other state and returned thereto by personnel of the department at the department's expense.

Section 7. Section 203.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) The hospital, upon receiving a patient, shall immediately furnish the department with the following information: Name, age, sex, color or race, former address, date of admission, county from which admitted, former admission if any, together with the name of his committee and parents, or if a married woman, the name of her husband.

(2) The hospital shall also furnish the following information immediately upon the happening of the fact concerning which information is required: Date of death or discharge with the reason therefor; escapes, returns, removals, and paroles of patients; changes in the person designated as committee for the patient.

Section 8. Section 203.160 of the Kentucky Revised Statutes is amended to read as follows:

If an order is issued by a judge committing to a state institution a person who has not acquired a legal residence in this state, the department shall return such person, either before or after his admission to the institution, to the country or state to which he belongs, and for such purpose may expend so much of the money appropriated to it as is necessary.

Section 9. Section 203.185 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon receipt of a certificate of the United States Public Health Service or such other agency of the United States Government that facilities are available for the care or treatment of any person heretofore committed to any mental hospital or other institution in this state for the care of mentally ill or mentally defective persons and that such person is eligible for such care or treatment, the commissioner, upon recommendation by any such hospital or institution in this state, is hereby authorized to cause the transfer of any such person to the United States Public Health Service or other agency of the United States Government for care or treatment. Upon effecting any such transfer, the committing court shall be notified thereof by the commissioner.

(2) Any person transferred as provided in this section shall be deemed to be committed to the United States Public Health Service or other agency of the United States Government pursuant to the original commitment the same as if he had been originally so committed.

Section 10. Section 203.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each state mental hospital shall keep the following records:

(a) A case history of each patient received by the hospital showing his name, age, residences, dates of admission, discharge or death, condition at time of admission, complete record of medical treatment and any other information prescribed by the commissioner;

(b) An accident record in which shall be recorded a statement of all accidents involving any patient, the causes thereof, and the names of any witnesses thereto;

(c) A restraint record in which shall be recorded the name of each patient restrained, the character of the restraint, when, how long, and by whose authority employed, and the reason therefor.

(2) The records prescribed by this section shall be kept on forms prescribed by the commissioner and shall be open to the inspection of the department at all times.

Section 11. Section 203.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) When a person who has been twice previously convicted of a felony, is indicted by a grand jury as an habitual criminal, the circuit clerk of the court in which he is indicted shall give notice of the indictment to the Commissioner of Mental Health within seven days after the indictment is returned by the grand jury. The commissioner shall cause such person to be examined by a psychiatrist already in the employ of the department, to determine his mental condition and the existence of any mental disease or defect which would affect his criminal responsibility. This examination shall be made without expense other than the amount to cover necessary travel, as provided by law for any other employe of the state traveling on official business.

(2) The psychiatrist making the examination shall submit a written report of his findings to the judge of the court having jurisdiction, who shall make the report available to the prosecuting attorney and the attorney for the defendant.

(3) The commissioner may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular official duties, in which event the commissioner shall notify the clerk of the circuit court to that effect within three days.

House Message

Announcing Veto Message on **HB 122.** Message is as follows:

"I am opposed, as a matter of principle, of any public official increasing his own compensation. Therefore, I am vetoing **HB 122.** This February 24, 1960.

(Signed) Bert T. Combs
Governor of Kentucky"

Senator Young moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Young moved that the Senate take up **HB 122** concerning the Governor's Veto Message. Agreed.

Senator Young moved to take up **HB 122** the Governor's Veto Message to the contrary notwithstanding.

Senators Young and Kidwell requested a roll call.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Blake, Brand, Byers, Conley, Craft, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Overbey, Raney, Richmond, White, Young. Nays 7—Blue, C. H. Davis, Francis, Kidwell, Melton, Miller, Ware. Motion to over-ride veto of **HB 122** was passed.

Calendar

SB 173, SB 163, HB 152, HB 175, SB 93, SB 132, SB 103, SB 101, SR 30, Committee Substitute for SB 84, HB 53, Committee Substitute for SB 36, SB 151, HB 104, SB 157, SB 152 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 138, SB 139, SB 121, HB 142, SB 129, SB 119 taken from Orders of the Day. Senator Duffy moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 153 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 153.** Agreed.

On the roll call, the vote was: Yeas 28—Blake, Blue, Byers, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 0. **SB 153** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 153** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 14** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Orders of the Day—Continued

SB 159 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 159.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Blue, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, C. S. Howard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware. Nays 1—D. W. Howard. **SB 159** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 159** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 150 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 150.** Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 0. **SB 150** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 150** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 149 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 149.** Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Brand, Blue, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware, Young. Nays 1—Miller. **SB 149** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 149** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 148 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 148.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Blake, Blue, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware, White, Young. Nays 0. **SB 148** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 148** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that when the Senate adjourn, it adjourn to meet at nine a. m., February 26. Agreed.

Senator D. W. Howard moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator D. W. Howard moved that **HB 71** be taken from the Clerk's Desk and placed on passage. Agreed.

Amendment #2 to **HB 71** by Senator D. W. Howard, who moved the adoption. Agreed.

Amendment #2 is as follows:

"Amend printed copy of House Bill #71 on Page 2, Line 16, by striking the words "one hundred" and inserting in lieu thereof the words "twenty five".

Senator D. W. Howard moved the Previous Question on **HB 71**, as amended. Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 2—Blake, Logan. **HB 71** was passed and the title agreed to.

Senator D. W. Howard moved that the vote by which **HB 71** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Blue moved suspension of the Rules for the purpose of making Committe Report. Agreed.

Report of Committee

Committee on Appropriations reported **HB 180** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 180, AN ACT relating to additional appropriations for various agencies of State Government for the fiscal year 1959-60.

WHEREAS, as the result of overspending in some departments and agencies prior to December 8, 1959, increased needs of other departments and agencies for which funds are not available in regular budget appropriations, and the almost total depletion of the Governor's Emergency Fund, it is necessary to provide additional funds for the following departments and agencies.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby appropriated out of the General Expenditure Fund for the remainder of the 1959-60 fiscal year, except as otherwise specified herein, the following sums for the following departments or agencies of the State Government.

1. EXECUTIVE DEPARTMENT

A.	General Emergency Fund	$500,000

Any unexpended balance at the end of the 1959-60 fiscal year shall be carried forward into the next.

2. DEPARTMENT OF THE TREASURY

A.	State Treasurer	$ 10,300

3. DEPARTMENT OF PERSONNEL

A.	Department of Personnel	$ 22,600

4. DEPARTMENT OF REVENUE

A.	General Operations	$225,000

5. DEPARTMENT OF MILITARY AFFAIRS

A.	Adjutant General	$ 73,825

6. DEPARTMENT OF PUBLIC SAFETY

A.	Division of Fire Prevention	$ 10,000

7. DEPARTMENT OF ECONOMIC DEVELOPMENT

A.	General Operations	$ 82,000

8. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A.	Retirement for Master Commissioners	$ 1,200

9. DEPARTMENT OF PUBLIC RELATIONS

A.	Department of Public Relations	$228,500

10. DEPARTMENT OF WELFARE

A.	Penal Institutions	$ 25,000

11. DEPARTMENT OF ECONOMIC SECURITY

A.	Public Assistance Administration	$ 23,000

12. DEPARTMENT OF HEALTH

A.	Water Pollution Control Commission	$ 9,000

13. STATE TUBERCULOSIS HOSPITAL COMMISSION

A.	State Tuberculosis Hospital Commission	$ 37,500

14. DEPARTMENT OF AGRICULTURE

A.	General Operations	$ 15,500

15. STATE FAIR BOARD

A.	State Fair Board	$470,000

16. DEPARTMENT OF CONSERVATION

A.	Division of Forestry	$110,000
B.	Division of Parks	$ 30,000
C.	Division of Parks—Deferred Maintenance	$250,000

17. STATE MERIT SYSTEM

A.	State Merit System—General Operations	$ 30,000

Section 2. TRUST AND AGENCY FUNDS

1. KENTUCKY BOARD OF EXAMINERS IN WATCHMAKING

A.	Kentucky Board of Examiners in Watchmaking	$ 6,000

Section 3. Whereas it is necessary, because of overspending in some departments and agencies prior to December 8, 1959, increased needs of other departments and agencies for which funds are not available in regular budget appropriations, and the almost total depletion of the Governor's Emergency Fund, that funds be provided at the earliest possible date, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Reference of Bills

The President announced reference of the following bills:

Criminal Law: **SB 177, HB 146, HB 172.**

Municipalities: **SB 178, SB 187.**

Judiciary and Judicial Council: **SB 179, SB 180, SB 183, SB 185, HB 88, HB 160, HB 162, HB 183, SB 191.**

Courts and Legal Procedure: **SB 181, SB 184, SB 194, HB 153, HB 155.**

Ky. Statutes #1: **SB 182, SB 196, HB 199.**

Revenue and Taxation: **SB 186, SB 189, HB 100.**

Banks and Banking: **SB 188.**

Ky. Statutes #2: **HB 103, HB 220, HB 19.**

Agriculture and State Fair: **HB 207, HB 247, HB 290.**

Motor Vehicles, Commerce and Common Carriers: **HB 211, HB 223.**

Constitutional Amendments: SB 192.

Insurance: **SB 193.**

Library and Historical Records: **SB 195.**

Education: **HB 200.**

Appropriations: **SB 190.**

Senator Ware moved that the Senate do now adjourn until nine a. m., February 26. Agreed.

FRIDAY, FEBRUARY 26, 1960

FORTY-SECOND LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Right Reverend Monsignor Joseph A. O'Dwyer of the Good Shepherd Church of Frankfort.

The roll was called. All present except Senators Bonn, Hickerson and Overbey, who were granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 25 dispensed with and the same approved on motion of Senator McCann.

House Message

Announcing passage of **HB 66, HB 244, HR 72, HR 75, SB 44,** with House Amendment, **SB 32,** with House Amendment.

Recess

Senator Ware moved that the Senate do now recess for thirty minutes. Agreed. At the appointed hour, the President called the Senate to order.

Senator Ware moved suspension of the Rules for the purpose of referring bills.

Reference of Bills

The President announced reference of the following bills:
Judiciary and Judicial Council: **SB 197, SB 200.**
Insurance: **SB 198.**
Courts and Legal Procedure: **SB 199.**
Administrative Agencies: **SB 201.**
Municipalities: **SB 202.**
Ky. Statutes #1: **SB 203.**
Revenue and Taxation: **HB 244.**

Senator Blue moved suspension of the Rules for the purpose of introducing a resoulution.

Introduction of Bill

SR 40, by Senator Blue: A RESOLUTION directing an appointment of a committee to investigate the condition of the Governor's Mansion, its furnishings and facilities.

Recess

Senator Ware moved that the Senate do now recess for thirty minutes. Agreed. At the appointed hour the President called the Senate to order.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 122, HB 90, HB 47,**

HB 46, SB 10 had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the Governor.

Senator Blake moved that the Senate take up **HR 58.** Agreed.

Senator Blake moved the adoption of **HR 58.** Agreed.

HR 58, A CONCURRENT RESOLUTION requesting and recommending that all citizens of the Commonwealth observe National 4-H Week.

WHEREAS, the 4-H program of the Cooperative Extension Service has as its objective, the overall development of Kentucky youth in education, skills, leadership, citizenship and democratic living; and

WHEREAS, there are seventy-six thousand, five hundred and eighty-nine Kentucky youth enrolled in 4-H club work in Kentucky; and

WHEREAS, eleven thousand, nine hundred voluntary local 4-H leaders give of their time, energy, and resources to help these youth develop into good, useful, and successful citizens; and

WHEREAS, March 5 through March 12, 1960, has been declared "National 4-H Week;"

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That all citizens of the Commonwealth of Kentucky be requested and recommended to join with 4-H members and their leaders in the observance of National 4-H Week, March 5 through March 12, 1960.

Senator Hehl moved the adoption of **HR 27.** Agreed.

HR 27, A CONCURRENT RESOLUTION memorializing the Congress and the President of the United States to create a national coal research and development commission as an independent agency.

WHEREAS, a strong, healthy, coal mining industry is essential to the economic welfare and security of the United States and the Commonwealth of Kentucky; and

WHEREAS, the coal industry at large and particularly within the Commonwealth of Kentucky has long been economically ill and highly vulnerable to economic recessions, and the inroads of competitive fuels; and

WHEREAS, short-range research and development activities would aid in promptly improving and strengthening the industry; and

WHEREAS, the Bureau of Mines of the Interior Department as a matter of policy concentrates on long-range studies and has indicated a reluctance or incapacity to engage in short-run investigations; and

WHEREAS, the research efforts of the Bureau of Mines and industry in general are inadequate in relation to current problems and research opportunities and clearly need to be supplemented by an expanded Government program; and

WHEREAS, a short-range, federally supported coal research and development program if it is to be conducted expeditiously and effectively and achieve the maximum end results should be administerial by an independent Federal Agency unshackled and uninhibited by traditional approaches and restrictive policies;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States and the President be memorialized to create a national coal research and development commission as an independent agency of the Federal Government.

Section 2. That the Clerk of the House forward copies of this resolution to the President of the United States and to the members of Congress from Kentucky.

Senator Blake moved the adoption of **HR 28.** Agreed.

HR 28, A CONCURRENT RESOLUTION directing the President of the Senate and the Speaker of the House to extend on behalf of the members of the General Assembly of the Commonwealth of Kentucky greetings to the National Association of Soil Conservation Districts.

WHEREAS, the Commonwealth of Kentucky is honored that the National Association of Soil Conservation Districts shall hold the Fourteenth Annual Convention on January 31, 1960 to February 4, 1960 in Louisville, Kentucky; and

WHEREAS, the Kentucky State Association of Soil Conservation Districts shall be the hosts for this meeting; and

WHEREAS, the 121 Soil Conservation Districts of Kentucky have accomplished so much in conserving the great natural resources of Kentucky; and

WHEREAS, it is the wish and desire of all members of the General Assembly to be present and participate in this most worthy and important Convention but in consideration of their individual and respective duties in the General Assembly this will not be possible:

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the President of the Senate and the Speaker of the House shall convey on behalf of the members of the General Assembly of the Commonwealth of Kentucky greetings to the National Association of Soil Conservation Districts at its Fourteenth Annual meeting on January 31, 1960 to February 3, 1960, at Louisville, Kentucky and copies of this Resolution be sent to the Directors of the Kentucky State Association of Soil Conservation Districts and the Chairmen of each of the Soil Conservation Districts of the Commonwealth of Kentucky.

Senator Hehl moved the adoption of **HR 75.** Agreed.

HR 75, A CONCURRENT RESOLUTION relating to tobacco acreage control quotas.

WHEREAS, under present law and regulations, Kentucky land owners who are allocated tobacco base by the United States Department of Agriculture cannot sell any portion of their land unless a percentage of the tobacco base is also disposed of in accordance with the acreage sold; and

WHEREAS, this restriction in effect prevents the sale of land for non-competitive, agricultural purposes, which hinders the economic development of the Commonwealth; and

WHEREAS, prospective purchases of small homesteads by retired and semi-retired individuals, sportsmen and others who desire a home with a rural atmosphere are increasing; and

WHEREAS, the desire to purchase homes in the Commonwealth, with its congenial atmosphere, historical background, expanded and improved schools, parks and highways, and abundant provisions for recreation is often thwarthed by the allotment laws and regulations;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States be, and it hereby is, memorialized to amend the laws which prevent the sale of portions of farms without transfer of tobacco base acreage or decreases in tobacco base allotments.

Section 2. That the Department of Agriculture of the United States be, and it hereby is, memorialized to change its regulations which prevent the sale of portions of farms without transfer of tobacco base acreage or decreases in tobacco base allotments.

Section 3. That the Clerk of the House of Representatives is directed to send copies of this Resolution to the Secretary of Agriculture, and to the United States Senators and Representatives elected from the Commonwealth of Kentucky.

Senator Hehl moved the adoption of **HR 72.** Agreed.

HR 72, WHEREAS, the proposed Piney-Clifty Lake at the confluence of Christian, Hopkins, and Caldwell Counties, Kentucky, has been planned for many years, and the sum of approximately $47,000 has been expended for the purchase of land for the proposed 850-acre Lake, and an additional $4,000 has been expended for engineering studies of the Lake area; and

WHEREAS, the Department of Fish and Wildlife Resources is committed to the construction of the dam at the mouth of Clifty Creek for the establishment of this Lake, and the said Department has earmarked sufficient funds for this purpose; and

WHEREAS, the Department of Conservation, the Division of Forestry, the Division of Flood Control and Water Usages, the Division of Parks, and the Department of Fish and Wildlife Resources have expressed a desire for the construction of said Lake, each of said agencies having recognized the material benefits to be derived by the surrounding counties and the nearby Pennyrile State Park, the said Lake to be available not only for fishing and recreation but also for the alleviation of severe flood damage on Piney and Clifty Creeks and the downstream Tradewater River:

NOW, THEREFORE,

Be it hereby resolved by the General Assembly of the Commonwealth of Kentucky:

That the Department of Conservation, the Division of Parks and the Department of Fish and Wildlife Resources, are authorized and requesting to construct, build and maintain the Piney-Clifty Lake in Christian and Caldwell Counties, Kentucky, and to make all necessary arrangements for the proper construction, supervision and care of the surrounding Lake area.

Senator Blue moved the adoption of **SR 40.** Agreed.

SR 40, A RESOLUTION directing an appointment of a committee to investigate the condition of the Governor's Mansion, its furnishings and facilities.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the President of the Senate appoint a committee composed of five members of the Senate to cooperate with the Committee of the House of Representatives appointed under direction of House Resolution No. 51 of the 1960 General Assembly in an investigation of the condition, furnishings and facilities of the Governor's Mansion.

Section 2. That the committee so appointed report its findings to the Senate as soon as possible.

Senator Ware moved that the Senate take up House Amendment to **SB 32.** Agreed.

Senator Ware moved the adoption of House Substitute to **SB 32.** Agreed.

Committee Substitute for **SB 32,** AN ACT relating to the Board of Claims, and declaring an emergency.

WHEREAS, the present statutes requiring the appointment of separate and independent officers and employes of the Board of Claims have created a situation which is wasteful and burdensome to the Commonwealth; and

WHEREAS, the same functions can be performed by the members, secretaries, and employes of the Workmen's Compensation Board, which is established to handle cases procedurally similar to those processed by the Board of Claims,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 44.070 of the Kentucky Revised Statutes is repealed and re-enacted as follows:

(1) A Board of Claims, composed of the members of the Workmen's Compensation Board as hereinafter provided, is created and vested with full power and authority to investigate, hear proof, and to compensate persons for damages sustained to either person or property as a proximate result of negligence on the part of the Commonwealth, any of its departments or agencies, or any of its officers, agents or employes while acting within the scope of their employment by the Commonwealth or any of its departments or agencies; provided, however, regardless of any provision of law to the contrary, the Commonwealth, its departments and agencies, and its officers, agents and employes, while acting within the scope of their employment by the Commonwealth or any of its departments or agencies, shall not be liable for pain or suffering, and compensation shall not be allowed, awarded or paid for pain or suffering. Except as hereinafter provided the board shall be independent of all agencies and departments of the Commonwealth except as provided in this Act.

(2) The board shall be composed of five attorneys who are mem-

bers of the Workmen's Compensation Board and who have been appointed and hold office under the provisions of KRS 342.215 and 342.220. The members shall not be entitled to additional compensation for their services on the Board of Claims.

(3) The Governor shall designate a member of the board to serve as chairman for a term of four years. Any vacancy in the chairmanship shall be filled by the Governor. No member shall, at the same time, serve as chairman of the Workmen's Compensation Board and as chairman of the Board of Claims.

(4) The executive secretary, referees and employes of the Workmen's Compensation Board, without additional compensation, shall be ex-officio the executive secretary, referees and employes respectively of the Board of Claims.

(5) Regardless of any provision of law to the contrary, the jurisdiction of the board is exclusive, and a single claim for the recovery of money or a single award of money shall not exceed ten thousand dollars, exclusive of interest and costs.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

Hearings shall be conducted in the county wherein the claim accrues, provided, however, that the parties may, with the approval of the board, agree upon a place not within such county for the conduct of hearings.

Section 3. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The Board of Claims, or any of its members, or any of its referees, shall hear the parties at issue and their representatives and witnesses and shall determine the dispute. The award or order shall be made within thirty days after final submission, except in cases involving large or complicated records or unusual questions of law, and shall be made within ninety days after final submission in any event. The order or award, together with a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue shall be filed with the record of proceedings and a copy of the order or award shall immediately be sent to the parties in dispute.

(2) If an application for review is made to the board within fourteen days from the date of the order or award, the full board, if the first hearing was not held before the full board, shall, as soon as practicable, review the evidence, or, if deemed advisable, hear the parties at issue, their representatives and witnesses, and shall make an order or award and file it as specified in subsection (1) above.

Section 4. No part of the maintenance fund of the Workmen's Compensation Board shall be diverted or used to accomplish the purpose of this Act. Any additional expenses which this Act may impose on the Workmen's Compensation Board shall be paid out of the appropriations from the General Fund.

Section 5. Section 44.100 of the Kentucky Revised Statutes is repealed and re-enacted to read as follows:

(1) The Assistant Attorneys General assigned to defend claims filed with the board shall receive no additional compensation for the performance of their duties before the board; provided, however, members of the board, Assistant Attorneys General and all employes acting for the board shall be recompensed for all necessary and actual expenses they may incur incident to their duties for or before the board. All awards made by the board against the Department of Highways, the Department of Motor Transportation, and the Division of State Police of the Department of Public Safety, shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All awards made by the board against other department or agencies of the state, which are not maintained by appropriations out of the General Fund, shall be paid out of the funds created or collected for the maintenance and operation of such departments or agencies respectively, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All amounts necessary to pay awards made by the board against all other departments or agencies of the Commonwealth shall be paid out of the General Fund of the Commonwealth, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All costs incident to the operation of said board shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer; provided, however, in all cases wherein claims are filed against the Commonwealth or any of its departments or agencies other than the Department of Highways, the Department of Motor Transportation, and the Division of State Police of the Department of Public Safety, the clerk of the board shall tax as costs of the action the same fees allowed for corresponding services in actions instituted in the circuit court, and such costs, when collected, shall be covered into the State Treasury to the credit of the State Road Fund. The board of claims shall have the power and authority to determine the right of any party to an action before it to recover of the opposing party the costs incurred by him or it in such action; and such decision shall not be subject to appeal.

Section 6. KRS 44.120 is amended to read as follows:

An award shall be made only after consideration of the facts surrounding the matter in controversy, and no award shall be made unless the board is of the opinion that the damage claimed was caused by such negligence on the part of the Commonwealth or its agents as would entitle claimant to a judgment in an action at law if the state were amenable to such action.

Section 7. Section 44.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Appeals may be taken to the circuit court of the county wherein the hearing was conducted from all awards of the board where the amount in controversy, exclusive of interest and costs, is over one hundred dollars. Appeals shall be taken within thirty days from the rendition of the award, and the method of appeals shall follow as nearly as may be the Rules of Civil Procedure, except the Commonwealth shall not be required to execute bond.

(2) On appeal no new evidence may be introduced, except as to fraud or misconduct of some person engaged in the hearing before the board. The court sitting without a jury shall hear the cause upon the record before it, and dispose of the appeal in a summary manner, being limited to determining: Whether or not the board acted without or in excess of its powers; the award was procured by fraud; the award is not in conformity to the provisions of KRS 44.070 to 44.160; and whether the findings of fact support the award. The court shall enter its findings on the order book as a judgment of the court, and such judgment shall have the same effect and be enforceable as any other judgment of the court in civil causes.

Section 8. All cases pending on the effective date of this Act, on the docket of the Board of Claims in existence prior to such date, shall, on the effective date of this Act or immediately thereafter, be transferred to the Board of Claims created by this Act. All records and other physical properties shall be transferred at the same time.

Section 9. WHEREAS, the Board of Claims as presently constituted is an expensive burden upon the general fund, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. Committee Substitute to **SB** 32 was passed and the title agreed to.

Senator D. W. Howard moved suspension of the Rules for the purpose of taking up Orders of the Day.

Orders of the Day

Senator Young moved that the Senate take up **SB** 44, with House Amendment. Agreed.

Senator Young moved the adoption of House Amendment to **SB** 44. Agreed.

Said Amendment is as follows:

Amend **SB 44**, on page 3, section 4, line 14, by striking therefrom the following: "adopted by the Commission."

Senator Young moved the Previous Question on **SB 44**, as amended. Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Blue, Bonn, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware, Young. Nays 0. **SB 44** was passed and the title agreed to.

Senator Young moved that the vote by which **SB 44** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 129 taken from Orders of the Day. Senator Martin moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 175 taken from Orders of the Day and ordered read at length for the third time. Senator Hamilton moved that it be read by title only. Agreed.

Senator Hamilton moved the Previous Question on **HB 175.** Agreed.

On the roll call, the vote was: Yeas 22—Bassett, Blake, Bonn, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy Francis, Garnett, Hamilton, Hehl, Jackson, Johnson, Kidwell, Kinkead, Logan, McCann, Melton, Raney, Richmond, Ware. Nays 2—Bishop, D. W. Howard. **HB 175** was passed and the title agreed to.

Senator Hamilton moved that the vote by which **HB 175** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 104 taken from Orders of the Day and ordered read at length for the third time. Senator Kidwell moved that it be read by title only. Agreed.

Senator Kidwell moved the Previous Question on **HB 104.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Blake, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 104** was passed and the title agreed to.

SB 93 taken from Orders of the Day and ordered read at length for the third time. Senator Garnett moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 93**. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 93** was passed and the title agreed to.

SR 30 taken from Orders of the Day and ordered read at length for the third time. Senator Blake moved that it be read by title only. Agreed.

Senator Blake moved the adoption of **SR 30**. Agreed.

HB 152 taken from Orders of the Day and ordered read at length for the third time. Senator Young moved that it be read by title only. Agreed.

Senator Young moved the Previous Question on **HB 152**. Agreed.

On the roll call, the vote was: Yeas 24—Blake, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Miller, Raney, Ware, Young. Nays 0. **HB 152** was passed and the title agreed to.

Senator Young moved that the vote by which **HB 152** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of the following bills and resolution: **HB 168, HB 179, HB 251, HB 284, HR 53.**

SB 101 taken from Orders of the Day. Senator Young moved that **SB 101** be laid on the Clerk's Desk. Agreed.

SB 151 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 151**. Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Bonn, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Miller, Ware, Young. Nays 0. **SB 151** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 151** was passed be reconsidered and said motion be laid on the table. Agreed.

The President announced the following committee pursuant to **SR 40** previously adopted: Senators Blue, Jackson, Mrs. J. H. Davis, Kinkead and Duffy, with Senator Blue acting as Chairman of the Committee.

SB 132 taken from Orders of the Day and ordered read at length for the third time. Senator Derickson moved that it be read by title only. Agreed.

Senator Derickson moved the Previous Question on **SB 132.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Blue, Bonn, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Miller, Ware. Nays 0. **SB** 132 was passed and the title agreed to.

Senator Derickson moved that the vote by which **SB 132** was passed be reconsidered and said motion be laid on the table. Agreed.

Introduction of Bills and Resolutions

SB 204, by Senator Richmond: AN ACT relating to teachers' salaries.

SB 205, by Senators Garnett, Miller, Logan, Francis, Young, Duffy, Hehl and Martin: AN ACT relating to the practice of law before administrative agencies of the Commonwealth of Kentucky and subdivisions thereof.

SB 206, by Senator Garnett: AN ACT relating to property taxation.

SB 207, by Senators Conley and Hehl: AN ACT relating to the adoption of codes and also revision of ordinances by reference.

SB 208, by Senator Duffy: AN ACT relating to county forests.

SB 209, by Senator McCann: AN ACT relating to nonporous membranous products.

SB 210, by Senator Blake: AN ACT relating to jurisdiction of constables.

SB 211, by Senator Blue: AN ACT relating to tobacco warehouses.

SB 212, by Senator C. H. Davis: AN ACT relating to county buildings and the financing thereof.

SB 213, by Senator C. H. Davis: AN ACT relating to airports.

SR 41, by Senator Duffy: A CONCURRENT RESOLUTION for Commemoration of the Sesquicentennial Anniversary of the War of 1812 in the Old Northwest 1962-1963.

SR 42, by Senator Johnson: A CONCURRENT RESOLUTION relating to heating of public buildings.

Report of Committees

Committee on Municipalities reported **SB 187, SB 202** with the expression of opinion same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 187, AN ACT relating to revision, codification and publication of city ordinances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of Chapter 82 of the Kentucky Revised Statutes is created to read as follows:

(1) The legislative body of a city of any class may by ordinance authorize the department of law, corporation counsel or city attorney to revise and codify the ordinances of the city, and may fix reasonable compensation therefor in addition to his other compensation.

(2) The city legislative body may have such codification published in book or other form.

(3) This section is permissive and is in addition to the authority granted or conferred by any other statute relating to such matters.

SB 202, AN ACT relating to closing of public ways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 94.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) The city legislative body in cities of the second, third, fourth, fifth and sixth classes shall, by itself or through a department of public works or a superintendent of public works as provided by law, have and exercise exclusive control over the public ways, landings, wharves and public grounds of the city. It may establish, open, alter, widen, extend, close, grade, pave, repave, clean, sprinkle and repair the same, prevent and remove encroachments thereon or obstructions thereof, put drains and sewers in the same, regulate or prohibit the building of vaults and areas under the sidewalks, and enforce and regulate connection with sewers, gas and water mains and conduits of all kinds laid in or under the public ways of the city.

(2) Upon the adoption of an ordinance by the city legislative body closing the whole or any portion of a public way, the city attorney, or city solicitor in cities of the second, third, fourth, fifth and sixth classes, shall institute an action in the circuit court to have it closed. All the owners of ground in the square or lots divided by that public way, or the portion proposed to be closed, shall be made defendants. If all defendants are competent to act for themselves and fail to object to the closing prayed for, the court shall render a decree

accordingly, but if any defendants object, or are under disability other than coverture, the court shall empanel a jury, which shall hear evidence and determine the amount of compensation in the form of damages to be paid to each defendant. The court shall then direct that the public way be closed upon payment to each defendant of the damages awarded to him, or, if any defendant refuses or is unable to accept payment, upon payment into court of the amount awarded that defendant. The court shall give these proceedings precedence over other cases.

(3) When any parcel of ground has been laid off as a public way, and opened to the unrestricted use of the general public for five consecutive years, it shall be conclusively presumed to have been dedicated to the city as a public way, subject to acceptance by the city. The city may, at any time after the expiration of five years from the time the parcel of ground is laid off and opened to the public, pass an ordinance declaring it so dedicated, and accepting the dedication, whereupon it shall be a public way of the city for all purposes. The lack of an actual dedication to the city, or of a record title on the part of the city, shall be no defense against the collection of any tax that may be levied against property abutting thereon for the payment of the cost of any improvement constructed thereon by order of the city. Nothing herein shall be construed to require the expiration of five years to raise a presumption of dedication in any case where, under any rule of law now in force in this state, a dedication would be presumed in less than five years.

Committee on Insurance reported **SB 198**, **SB 193** with the expression of opinion same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 198, AN ACT relating to insurance and insurance companies, and amending certain sections and adding other sections of Chapter 304 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 304.069 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as otherwise provided in this section, an insurer which otherwise qualifies therefor may be authorized to transact any one or more kinds of insurance as defined in KRS 304.340 to 304.356 of this code.

(2) A life insurer shall transact, in addition, only disability insurance, except that any life insurer which immediately prior to September 1, 1950, held a certificate of authority to transact in this state certain kinds of insurance in addition to life and disability insurance, may continue to be so authorized by the Commissioner. A reciprocal or Lloyd's insurer shall not transact life insurance.

(3) A title insurer shall transact no additional kind of insurance and shall not have stock control of or have its stock controlled by any insurer authorized to transact any kind of insurance other than title insurance, except that an insurer which immediately prior to the effective date of this Act held a certificate of authority to transact title insurance in this state shall continue to be so authorized by the Commissioner.

(4) Subject to the limitations of subsection (3) of this section, a life insurer may create wholly owned subsidiaries for the purpose of transacting any one or more of the kinds of insurance, (including life insurance) as defined in KRS 304.340 to 304.356 of this code, and, subject to such limitation, a life insurer may acquire securities of other insurers authorized to transact any one or more of such kinds of insurance.

Section 2. Section 304.123 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon receipt of the articles of incorporation of the proposed insurer, the Commissioner shall submit such articles to the Attorney General for examination. Within ten days after receipt thereof the Attorney General shall return the articles to the Commissioner with a written statement as to whether the articles comply with law.

(2) If the Attorney General has found the articles to be in compliance with law and has so stated to the Commissioner, the Commissioner shall stamp or otherwise certify his approval thereon, retain one copy of the articles for his files and deliver the remaining three copies of the articles to the incorporators for filing as provided by laws governing business corporations generally.

(3) The incorporators shall concurrently file with the Commissioner duplicates of filings made on behalf of the corporation with the Director of the Division of Securities pursuant to Chapter 292 of the Kentucky Revised Statutes, and upon compliance with the provisions of such chapter governing sale of securities, the incorporators may open books to receive subscriptions for capital stock of the corporation.

(4) After all stock stated by the articles as the amount of capital with which the corporation will begin business (which shall not be less than the applicable minimum amounts required by the provisions of this chapter to qualify for authority to transact the kind of insurance specified by the articles) has been subscribed and paid for either in cash or in assets of the kind eligible for the investment of the capital stock of a domestic life insurer under this code, the incorporators shall make application for a certificate of authority as provided in KRS 304.060 to 304.115.

(5) In addition to the requirements of KRS 304.120 to 304.144, the incorporators shall also comply with such other applicable laws governing the organization of domestic business corporations as are not in conflict with the provision of KRS 304.120 to 304.144.

Section 3. Section 304.132 of the Kentucky Revised Statutes is amended to read as follows:

(1) The insurer may increase or decrease its capital stock in the manner provided for corporations generally, subject to KRS 304.140 relative to decrease of capital stock to cure impairment, but no decrease shall be effective until the Commissioner has examined the insurer's affairs and has found that the rights of persons doing business with the insurer will not be prejudiced by any such decrease.

(2) No provision of this chapter shall be construed to prohibit an insurer from having authorized but unissued capital stock as permitted to business corporations generally under the provisions of Chapter 271 of the Kentucky Revised Statutes.

Section 4. Section 304.366 of the Kentucky Revised Statutes is amended to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer;

(1) Goodwill, trade names, agency plants and other like intangible assets.

(2) Prepaid or deferred charges for expenses and commissions paid by the insurer except the unaccrued portion of taxes paid prior to due date, on real property acquired or used pursuant to KRS 304.437.

(3) Advances to officers or directors (other than policy loans); and advances to employes, agents and other persons on personal security only.

(4) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership by such insurer of an interest in another firm, corporation or business unit.

(5) Furniture, furnishings, fixtures, safes, equipment, vehicles, library, stationery, literature, and supplies; except, such personal property as the insurer is permitted to hold pursuant to item (f) of subsection (2) of KRS 304.437, or which is acquired through foreclosure of chattel mortgages acquired pursuant to KRS 304.435, or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer other than real estate used by it for home office, branch office, and similar purposes, provided, however, that this subsection shall not apply to electronic computer or data processing machines or systems acquired by an insurer pursuant to KRS 304.401.

(6) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

Section 5. Section 304.383 of the Kentucky Revised Statutes is amended to read as follows:

(1) Annual valuation. The Commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter, in this section, called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this state (except that in the case of an alien insurer such valuation shall be limited to its United States business), and may certify the amount of any such reserve, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the Commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction. The cost of making valuations under this section, not to exceed one cent per each one thousand dollars of insurance, shall be assessed on the insurer whose policies are so valued. Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the Commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.

(2) Minimum valuation standard for old policies. The minimum standard for the valuation of all such policies and contracts issued prior to the operative date of KRS 304.828 shall be that provided by the laws in effect immediately prior to such date. Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by the laws in effect immediately prior to such date.

(3) Minimum valuation standard for new policies. This subsection shall apply to only those policies and contracts issued on or after the operative date of KRS 304.828.

(a) The minimum standard for the valuation of all such policies and contracts shall be the Commissioner's reserve valuation method defined in paragraph (b), three and one-half percent interest, and the following tables:

(i) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, the Commissioners 1941 Standard Ordinary Mortality Table for such policies issued prior to the operative date of subsection (6) of KRS 304.828 as amended, and the Commissioners 1958 Standard Ordinary Mortality Table for such policies issued on or after such operative date; provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in this section may be calculated according to an age not more than three years younger than the actual age of the insured.

(ii) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies, the 1941 Standard Industrial Mortality Table.

(iii) For annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the 1937 Standard Annuity Mortality Table.

(iv) For total and permanent disability benefits in or supplementary to ordinary policies or contracts, Class (3) Disability Table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(v) For accidental death benefits in or supplementary to policies, the Inter-Company Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For group life insurance, life insurance issued on the substandard basis and other special benefits, such tables as may be approved by the Commissioner.

(b) Reserves, according to the Commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (i) over (ii), as follows:

(i) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the nineteen year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(ii) A net one year term premium for such benefits provided for in the first policy year.

Reserves according to the Commissioner's reserve valuation method for: (1) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums; (2) annuity and pure endowment contracts; (3) disability and accidental death benefits in all policies and contracts; and (4) all other benefits, except life insurance and endowment benefits in life insurance policies, shall be calculated by a method consistent with the principles of this paragraph (b).

(c) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits be less than the aggregate reserves calculated in accordance with the method set forth in paragraph (b) and the mortality table or tables and rate or rates of interest used in calculating non-forfeiture benefits for such policies.

(d) Reserves for any category of policies, contracts or benefits as established by the Commissioners, may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding rate or rates of interest used in calculating any non-forfeiture benefits provided for therein. Provided, however, that reserves for participating life insurance policies may, with the consent of the Commissioner, be calculated according to a rate of interest lower than the rate of interest used in calculating the non-forfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the non-forfeiture benefits by more than one-half percent the insurer issuing such policies shall file with the Commissioner a plan providing for such equitable increase, if any, in the cash surrender values and non-forfeiture benefits in such policies as the Commissioner shall approve.

(e) If the gross premium charged by any life insurer on any policy or contract is less than the net premium for the policy or contract according to the mortality table, rate of interest and method used in calculating the reserve thereon, there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract running for the remainder of the premium-paying period.

Section 6. Section 304.401 of the Kentucky Revised Statutes is amended to read as follows:

(1) Insurers shall invest in or loan their funds on the security

of, and shall hold as assets, only eligible investments as prescribed in this code, except that investments of insurers may include electronic computer or data processing machines or systems heretofore or hereafter purchased for use in connection with the business of the insurer; provided, however, that such machine or system shall have an original cost of at least Fifty Thousand Dollars, and that the amortized value of such machine or system at the end of any calendar year shall not be greater than the original purchase price less ten percent for each completed year after such purchase.

(2) Any particular investment held by an insurer on September 1, 1950, and which was a legal investment at the time it was made, shall be deemed a legal investment under the provisions of KRS 304.400 to 304.454.

(3) The eligibility of an investment shall be determined as of the date of its making or acquisition.

(4) Any limitation based upon the amount of the insurer's assets shall relate to assets as shown by the insurer's annual statement as of the December 31 preceding date of investment.

Section 7. Section 304.408 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest its funds in bonds or other evidences of indebtedness which are payable from revenue, earnings, assessments or other funds specifically pledged therefor of any public toll bridge, structure, or improvement owned by any state, province, incorporated city, or legally constituted public corporation or commission, all within the United States or Canada, for the payment of the principal and interest of which adequate provision has been made, and if no default on the part of the issuer in payment of principal or interest has occured on any of its bonds, notes, warrants or other securities, within five years prior to the date of investment therein, or if issued within such five years, since issuance.

(2) An insurer may not invest or have invested at any one time more than fifty percent of its assets in all securities provided for in this section and in KRS 304.406 and 304.407.

Section 8. Section 304.413 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest its funds in equipment securities, trust certificates, or other evidences of indebtedness evidencing rights to receive partial payments agreed to be made upon any contract of leasing or conditional sale, or secured by a lien on the property sold or leased and a pledge of sums payable under any such contract of leasing or conditional sale to:

(a) The United States or any instrumentality thereof or any state of the United States or any county, city, town, school, water or sewer district, or legally constituted public corporation or commission;

(b) Companies operating railroads, trucks, buses or barges in the United States or Canada; or

(c) Other companies organized under the laws of the United States, a state of the United States, the District of Columbia, Canada, or a province thereof whose average annual net earnings available for fixed charges, (as defined in KRS 304.417 (2), as amended) for a period of five (5) fiscal years next preceding the date of acquisition have been not less than one and one-half (1½) times the average annual fixed charges (as defined in KRS 304.417 (2), as amended) for the same period.

(2) No investment shall be made under this section unless:

(a) No default in payment of interest or principal on such securities has occurred within five years of the date of investment therein or since issuance, if such securities were issued within such five-year period;

(b) The issue thereof has been approved by the proper public authority where such approval was required by law at the time of issuance;

(c) The fixed rentals or partial payments assigned or pledged shall be sufficient to repay the indebtedness within the unexpired term of the contract of leasing or conditional sale.

(3) Investments under this section shall not exceed ten percent of the insurer's assets.

Section 9. Section 304.415 of the Kentucky Revised Statutes is amended to read as follows:

An insurer may invest and have invested at any one time not in excess of an aggregate of thirty percent of its assets in bonds, notes or debentures (other than securities referred to in KRS 304.411, 304.412, 304.413 and 304.417) of solvent corporations existing under the laws of the United States, a state of the United States, the District of Columbia, Canada, or a province thereof, if:

(1) No default in payment of interest or principal on the bonds, notes or debentures to be purchased has occurred within five years of the date of investment therein, or, if such bonds, notes or debentures were issued less than five years prior to the date of investment therein, since issuance;

(2) Such corporation, its predecessor organization or organizations, if any, or its parent corporation, if any, have been in existence for ten years; and

(3) No substantial part of the property of such corporation is subject to any lien or other obligation entitled to priority of payment over such bonds, notes or debentures, except such items as current taxes, mechanics liens, equipment securities, purchase money mortgages, pledges to or deposits with any court or government or agency

thereof, and pledges to secure indebtedness incurred in the ordinary course of business and maturing in not more than one year.

Section 10. Section 304.417 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest and have invested at any one time not in excess of an aggregate of fifteen percent of its assets in evidences of indebtedness, other than the securities referred to in KRS 304.411, 304.412, 304.413, 304.415, and in preferred stocks of companies organized under the laws of the United States, a state of the United States, the District of Columbia, Canada, or a province thereof, if:

(a) The issuing company has continuously and regularly paid the interest provided for by such evidences of indebtedness, or the dividends provided for by such preferred stock, as the case may be, during the five years preceding the investment or since issuance, if such securities have been issued within such five-year period; and

(b) The average annual net earnings available for fixed charges for a period of five fiscal years next preceding the date of acquisition shall have been not less than one and one-half times the average annual fixed charges for the same period.

(2) For the purposes of this section:

(a) The term "net earnings available for fixed charges" means the net income of the issuing company and its subsidiaries and any predecessor organizations, and their subsidiaries, if any, after deducting operating and maintenance expenses, taxes other than federal and state income taxes, depreciation and depletion, but excluding extraordinary nonrecurring items of income or expense appearing in the regular financial statements of such companies;

(b) The term "fixed charges" means interest charges, amortization of debt discount and expense, dividends guaranteed, if any, and in the case of an investment in preferred stocks, the preferred dividend requirement;

(c) The term "preferred dividend requirement" means cumulative or non-cumulative preferred dividends whether paid or not.

Section 11. Section 304.418 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest in the stocks of state or national banks and trust companies, if:

(a) such bank or trust company has been in existence for five years previous to the investment; and

(b) such stock is not subject to assessment for double liability.

(2) An insurer may accept any such stock as collateral on a loan irrespective of such double liability.

(3) Investments under this section shall not exceed ten percent of the insurer's assets.

Section 12. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) A life insurer may invest its funds in dividend-paying common stocks of solvent corporations organized and existing under the laws of the United States, a state of the United States, the District of Columbia, Canada, or a province thereof; provided such corporations or their predecessor organizations have been in existence for at least five years prior to the investment.

(2) Investments under this section shall not exceed five percent of the insurer's assets.

Section 13. Section 304.424 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may have as assets any of its cash funds on deposit in checking or savings account, under certifcates of deposit or in any other form in banks and trust companies which have qualified for the insurance protection afforded by the Federal Deposit Insurance Corporation.

(2) An insurer may invest or deposit any of its funds in share or savings accounts of Federal Savings and Loan Associations which have qualified for the protection afforded by the Federal Savings and Loan Insurance Corporation; and in any domestic State Savings and Loan Associations which are eligible for the protection afforded by the Federal Savings and Loan Insurance Corporation.

(3) An insurer authorized to transact business in a foreign country may deposit such of its cash funds as may be needed for such business in banks or trust companies of such foreign countries, but no such deposit shall be deemed to be an asset of the insurer for the purpose of this chapter unless it is a deposit in a chartered bank in Canada operating under the Bank Act of Canada.

Section 14. Section 304.431 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest its funds in:

(a) 1. Bonds, notes or other evidences of debt which are secured by first mortgages, liens, or deeds of trust on unencumbered, improved or income producing real property located in the United States or in Canada, including leasehold estates in such property having an unexpired term of not less than 21 years, inclusive of the term which may be provided by an enforceable option of renewal in such real property. No lien or other interest in real property shall be considered an encumbrance if it is subordinate to the mortgage, lien, or deed of trust. No mortgage loan upon a leasehold shall be made or acquired by an insurer pursuant to this subsection unless the terms thereof shall provide for amortization payments to be made by the borrower on the principal thereof at least once in each year in amounts sufficient to completely amortize the loan within a period of four-fifths of the term of the leasehold, inclusive of the term which may be provided by an enforceable option of renewal, which is unexpired at the time the loan is made, but in no event exceeding thirty-five years.

2. Chattel mortgages in connection therewith pursuant to KRS 304.435.

3. The equity of the seller of any such property, in the contract for a deed, covering the entire balance due on a bona fide sale of such property, in amount not to exceed ten thousand dollars or the amount permissible under KRS 304.403, whichever is greater, in any one such contract for deed, nor in excess of an amount equal to two-thirds of the actual sale price or fair value of the property, whichever is the smaller.

(b) Purchase money mortgages, vendor's liens or like securities received by it upon the sale of real property acquired pursuant to KRS 304.437.

(c) Bonds or notes secured by mortgage or trust deed guaranteed or insured by, and debentures issued by, the Federal Housing Administrator under the terms of an Act of Congress of the United States for June 27, 1934, entitled the "National Housing Act," as amended.

(d) Bonds or notes secured by mortgages or trust deed of real property, guaranteed or insured as to principal in whole or in part by the Administrator of Veterans' Affairs pursuant to the provisions of Title III of an Act of Congress of the United States of June 22, 1944, entitled the "Servicemen's Readjustment Act of 1944," as amended.

(2) No one such mortgage loan or investment shall exceed two percent of the insurer's assets or five thousand dollars, whichever is greater.

Section 15. Section 304.432 of the Kentucky Revised Statutes is amended to read as follows:

(1) No mortgage loan or investment therein upon any one parcel of real property or upon any one leasehold estate shall exceed, at the time of acquisition.

(a) Seventy-five percent of the fair value of the property if it is primarily improved by a single family residence or

(b) Sixty-six and two-thirds percent of the fair value of all other property, as shown by a valuation and appraisement in writing made under oath by at least two competent and impartial appraisers. This provision shall not apply as to purchase money mortgages.

(2) The extent to which a mortgage loan made under items (c) or (d) of subsection (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans' Affairs may be deducted before application of the limitation contained in this section.

(3) Nothing in this section shall be deemed to prohibit an in-

surer from renewing or extending a mortgage loan for the original or a less amount even though such amount is greater than the limits prescribed in subsection (1) of this section as applied to the current fair value of the real property or leasehold estate subject to such mortgage.

Section 16. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) A life insurer may invest and have invested not in excess of an aggregate of five percent of its assets in loans or in investments not qualifying or not permitted under Chapter 304 of the Kentucky Revised Statutes.

(2) Investments held under this section shall not be subject to the percentage limitations set out in this code, including those provided in KRS 304.403.

(3) Investments permitted under this section shall include the use of funds by a life insurer in organizing wholly owned subsidiaries as authorized by KRS 304.069, as amended, and in acquiring securities of other insurers as authorized by such section.

Section 17. A new section of the Kentucky Revised Statutes is created to read as follows:

Nothing contained in this chapter shall be deemed to prohibit an insurer from making an investment, which it is otherwise permitted to make under this chapter, because such investment is convertible into other securities or stock in which such insurer is not permitted to invest under this chapter, or because such insurer receives in connection with such investment stock warrants, whether detachable or non-detachable, stock options, stock, property interests or other assets of any kind. Any stock warrant, stock option, stock, property interest or other asset of any kind so received at the time of such investment in connection with such investment may be retained by such insurer and shall be carried on its books at no value; provided, however, that if any such asset attains the standard for eligibility under a section of this code other than Section 16 of this Act, such asset shall be valued and held under the applicable sections of this code.

Section 18. Section 304.828 of the Kentucky Revised Statutes is amended to read as follows:

(1) No policy of life insurance, except as stated in subsection (8) of this section, shall be issued or delivered in this state unless it shall contain in substance the following provisions, or corresponding provisions which in the opinion of the Commissioner are at least as favorable to the defaulting or surrendering policyholder;

(a) That, in the event of default in any premium, the insurer will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up non-forfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified.

(b) That, upon surrender of the policy within sixty days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up non-forfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(c) That a specified paid-up non-forfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than sixty days after the due date of the premium in default.

(d) That, if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up non-forfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the company will pay, upon surrender of the policy within thirty days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(e) A statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up non-forfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up non-forfeiture benefits, if any, available under the policy on each policy anniversary either during the first twenty policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

(f) A statement of the method to be used in calculating the cash surrender value and the paid-up non-forfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy with an explanation of the manner in which the cash surrender values and the paid-up non-forfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy.

(2) Any of the provisions or portions thereof, of subsection (1) of this section not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy. The insurer shall reserve the right to defer the payment of any cash surrender value for a period of six months after the demand therefor with surrender of the policy.

(3) Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (1), shall be an amount not less than the excess, if any, of the present value, on such anniversary,

of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no dafault, over the sum of: (a) the then present value of the adjusted premiums as defined in subsections (5) and (6), corresponding to premiums which would have fallen due on and after such anniversary; and (b) the amount of any indebtedness to the insurer on the policy. Any cash surrender value available within thirty days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection (1), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additons, decreased by any indebtedness to the insurer on the policy.

(4) Any paid-up non-forfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none if provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

(5) The adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairment or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of: (a) the then present value of the future guaranteed benefits provided for by the policy; (b) two percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (c) forty percent of the adjusted premium for the first policy year; and (d) twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (c) and (d) above, no adjusted premium shall be deemed to exceed four percent of the amount of insurance or level amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined. In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit

or benefits, in any issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy; provided, however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by such policy at age ten, or at expiry, if earlier. Except as otherwise provided in subsection (6), all adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured. Such calculations for all policies of industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding three and one-half percent per annum, specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty percent of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the Commissioner.

(6) In the case of ordinary policies issued on or after the operative date of this subsection as defined herein, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table and the rate of interest, not exceeding three and one-half percent per annum, specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as

may be specified by the insurer and approved by the Commissioner.

After the effective date of this subsection (6), any insurer may file with the Commissioner a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date (which shall be the operative date of this subsection for such insurer), this subsection shall become operative with respect to the ordinary policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this subsection for such insurer shall be January 1, 1966.

(7) Any cash surrender value and any paid-up non-forfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections (3), (4), (5) and (6) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection (3), additional benefits payable: (a) in the event of death or dismemberment by accident or accidental means; (b) in the event of total and permanent disability; (c) as reversionary annuity or deferred reversionary annuity benefits; (d) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply; and (e) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and non-forfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up non-forfeiture benefits.

(8) This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or revisionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of fifteen years or less expiring before age sixty-six, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in subsections (5) and (6), is less than the adjusted premium so calculated, on such fifteen-year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this state through an agent or other representative of the insurer issuing the policy.

(9) In construing the provisions of this section, "ordinary insurance" or "insurance upon the ordinary plan" shall be considered to be insurance that may be paid for by a single premium, by annual

premiums or by semi-annual or quarterly or other installments thereon at the option of the insurer; and "industrial insurance" shall be considered to be insurance as defined in KRS 304.872.

(10) Any condition or stipulation in the policy of insurance or elsewhere contrary to the provisions of this section, and any waiver of such provisions by the assured, shall be void.

(11) If any insurer shall have filed with the Commissioner after June 13, 1944, a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1948, then upon such specified date (which shall be the operative date for such insurer) this section shall have become operative with respect to the policies thereafter issued by such insurer. If any insurer shall not have made such an election, the operative date of this section for such insurer shall be January 1, 1948.

Section 19. Section 304.839 of the Kentucky Revised Statutes is amended to read as follows:

The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee is deemed the policy-holder, insuring employes of the employer for the benefit of persons other than the employer, subject to the following requirements:

(1) The employes eligible for insurance under the policy shall be all of the employes of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employes" shall include the employes of one or more subsidiary corporations, and the employes, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise. The policy may provide that the term "employes" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employes" shall include retired employes. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employe of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employes, except that the entire premium may be paid from funds contributed by the insured employes if the amount of

insurance does not exceed one thousand dollars on the life of any employe. A policy on which any part of the premium is to be derived from funds contributed by the insured employes may be placed in force only if at least seventy-five percent of the then eligible employes, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employes must insure all eligible employes, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least ten employes at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employes or by the employer or trustee. No policy may be issued which provides term insurance on any employe which together with any other term insurance under any group life insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds twenty-five thousand dollars, unless 200 percent of the annual compensation of such person from his employer or employers exceeds twenty-five thousand dollars, in which event all such term insurance shall not exceed fifty thousand dollars or 200 percent of such annual compensation, whichever is the lesser.

Section 20. Section 304.842 of the Kentucky Revised Statutes is amended to read as follows:

The lives of a group of individuals may be insured under a policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least seventy-five percent of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds

contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five members at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be issued which provides term insurance on any union member which, together with any other term insurance under any group life insurance policies issued to the union, exceeds twenty-five thousand dollars, unless 200 percent of the annual compensation of such person from his employer or employers exceeds twenty-five thousand dollars, in which event all such term insurance shall not exceed fifty thousand dollars or 200 percent of such annual compensation, whichever is the lesser.

Section 21. Section 304.844 of the Kentucky Revised Statutes is amended to read as follows:

The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employes of the employers or members of the unions for the benefit of persons other than the employers of the unions, subject to the following requirements:

(1) The persons eligible for insurance shall be all of the employes of the employers or all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employes" shall include retired employes, and the individual proprietor or partners if an employer is an individual proprietor or a partnership. No director or a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employe of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employes" shall include the trustees or their employes, or both, if their duties are principally connected with such trusteeship.

(2) The premium for the policy shall be paid by the trustees either: (a) wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both; or (b) partly from such funds and partly from funds contributed by

the insured employes or members. No policy may be issued under the provisions of this section on which the entire premium is to be derived from funds contributed by the insured employes or members. A policy on which part of the premium is to be derived from funds contributed by the insured employes or members may be placed in force only if at least seventy-five percent of the then eligible employes of any employer unit participating in the trust, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employes or members, must insure all eligible employes or members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at date of issue at least one hundred persons and not less than an average of five persons per employer unit; and if the fund is established by the members of an association of employers the policy may be issued only if: (a) either the participating employers constitute at date of issue at least sixty percent of those employer members whose employes are not already covered for group life insurance, or the total number of persons covered at date of issue exceeds six hundred; and (b) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employes shall cease solely by reason of such discontinuance.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds twenty-five thousand dollars, unless 200 percent of the annual compensation of such person from his employer or employers exceeds twenty-five thousand dollars, in which event all such term insurance shall not exceed fifty thousand dollars or 200 percent of such annual compensation, whichever is the lesser.

Section 22. Section 304.916 of the Kentucky Revised Statutes is amended to read as follows:

(1) A title insurer shall be a stock insurer.

(2) Such an insurer shall have paid-up capital stock in an amount not less than $150,000.00; except that any insurer, which immediately prior to the effective date of this Act held a certificate of authority to transact title insurance in this state and which has been continuously so authorized since such date, shall have paid-up capital stock in amount as follows:

Population of county in which business is to be transacted	Paid-up capital required
Less than 75,000	$ 25,000
75,000 to 100,000	50,000
Over 100,000	150,000

Any such previously authorized insurer may transact business in more than one county by having paid-up capital stock in the largest amount required for any one of such counties.

(3) The insurer shall not be authorized to transact business until it has a guaranty fund as provided by KRS 304.920.

Section 23. Section 304.922 of the Kentucky Revised Statutes is amended to read as follows:

(1) The insurer may invest up to one-third of its minimum required capital, and any of its surplus in such books, maps, abstracts, and other records as are requisite or convenient for transaction of its business as title insurer, and in the maintenance thereof.

(2) The insurer may invest the remainder of its funds, after meeting its guaranty fund requirements, in such investments as are eligible as investments of insurers other than life insurers under KRS 304.400 to 304.454, with the following modifications:

(a) The insurer may loan on security of a real estate mortgage an amount not exceeding seventy-five percent of the value of the property mortgaged. The extent to which a mortgage loan made under paragraph (c) or (d) of subsection (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans' Affairs may be deducted before application of the limitation contained in this subsection. Unless the insurer's paid-in capital and surplus exceed five hundred thousand dollars, its real estate mortgage investments shall be restricted to mortgages secured by property located in this state.

(b) The limitations contained in KRS 304.403, subsection (2) of KRS 304.431, subsection (2) of KRS 304.437, KRS 304.438, and KRS 304.441 shall not apply as to such investments.

(c) The insurer may invest and have invested at any one time not in excess of twenty percent of its assets, in the following:

1. The stock of any corporation engaged in business as a title insurer or abstract company or a real estate mortgage company, and,

2. Loans to abstract companies, which loans are adequately secured as to principal and interest by chattel mortgages upon the books, maps, files, abstract records and other personal property of the mortgagor.

(d) Investments in securities and loans referred to in paragraph (c) of this subsection in excess of twenty percent of the insurer's assets may be made only with the prior written approval of the Commissioner.

(3) KRS 304.448 shall apply to title insurers.

Section 24. Section 304.937 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in KRS 304.069 and KRS 304.922, no insurer may retain, invest in or acquire the whole or any part of the capital stock of any other insurer or insurers, or have a common management with any other insurer or insurers, if such retention, investment, acquisition or common management is inconsistent with any other provision of this code, or if by reason thereof the business of such insurers with the public is conducted in a manner which substantially lessens competition generally in the insurance business or tends to create a monopoly therein.

(2) No person otherwise qualified may be a director of two or more insurers which are competitors if the effect thereof is to substantially lessen competition between insurers generally or tends to create a monopoly.

SB 193, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 304.103 of the Kentucky Revised Statutes is amended to read as follows:

The provisions of KRS 304.097, 304.099 and 304.101 shall not apply to title insurers, to reinsurance contracts between insurers, to life or disability insurance, to bid bonds issued in connection with any public or private contract, or to **insurance policies;**

(1) Lawfully issued as a surplus line under KRS 304.580 to 304.598.

(2) Covering only the rolling stock, vessels, or aircraft of any common carrier in interstate or foreign commerce, or any vehicle principally garaged and used in another state.

(3) Covering only any property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.

(4) Covering only ocean marine risks and other risks exempted under this section.

(5) Of mutual or reciprocal insurers except policies written through independent agents compensated on a commission basis.

(6) Issued by domestic insurers which do not customarily permit their agents to countersign policies, if such policies are countersigned by an executive officer or other employee of the insurer whose compensation is entirely by salary.

Committee on Courts and Legal Procedure reported **HB 155, HB 96** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 155, AN ACT relating to procedure in cases of violation of motor vehicle laws.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 186.550 of the Kentucky Revised Statutes is amended to read as follows:

(1) The clerk of any court, or the judge of any court which has no clerk when acting as the clerk of the court, having jurisdiction over offenses committed under motor vehicle laws shall report upon a form furnished by the Department of Public Safety the conviction, pleas or forfeiture of bond arising under motor vehicle laws within twenty days.

(2) The court shall take up the motor vehicle operator's license certificate of a person convicted of any offense for which mandatory revocation is provided by KRS 186.560 and shall hold the same for a period of fifteen days. If an appeal is not taken within the period of fifteen days from the date of conviction, the court shall before the expiration of the next five days forward the certificate to the department with the report covering the conviction. If an appeal is taken to the circuit court within fifteen days from the date of conviction, upon the service of the summons on appeal and a copy of the supersedeas being delivered to the clerk or the judge of the court, the operator's license of the appellant shall immediately be returned to the appellant or his attorney, and said operator's license shall be valid pending the appeal.

HB 96, AN ACT relating to private corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 271.025 of the Kentucky Revised Statutes is amended to read as follows:

Any natural person or persons of the age of twenty-one years or more, or any corporation, may form a corporation for any lawful purpose, and may own and hold all or any number of the shares of stock of any corporation organized under the provisions of KRS Chapter 271.

Section 2. Section 271.055 of the Kentucky Revised Statutes is amended to read as follows:

(1) The articles of incorporation in triplicate originals shall be acknowledged by at least three of the incorporators before an officer authorized by the laws of this state to take acknowledgments, unless there are less than three incorporators, in which case all incorporators shall acknowledge, and the triplicate originals shall be delivered to the Secretary of State. If he finds that the articles of incorporation

have been signed and acknowledged according to law, he shall, when all taxes, fees and charges have been paid as required by law, record one original in his office, and issue a certificate of incorporation. There shall be paid to the Secretary of State a fee of $3.00 for recording the articles, and a fee of $1.00 for issuing a certificate of incorporation.

(2) The certificate of incorporation together with the remaining original articles of incorporation, endorsed with the fact and time of recording in the office of the Secretary of State, shall be returned to the incorporator or incorporators or their representative. One original shall then be filed with and recorded by the clerk of the county court of the county in which the registered office of the corporation is situated, and the other shall be retained by the corporation. The clerk of the county court shall be paid a fee of $3.00 for recording said articles.

(3) No foreign corporation, except a foreign insurance company, shall be authorized to do business in this state until it has filed a certified copy of its articles of incorporation and all existing amendments in the office of the Secretary of State. It shall thereafter file a certified copy of subsequent amendments to its articles in the office of the Secretary of State. Such corporations shall pay to the Secretary of State an original filing fee of $25.00 and a recording fee of $10.00 for recording the articles of incorporation and accompanying amendments, and shall pay the same recording fee for recording subsequent amendments.

(4) A copy of any articles of incorporation and all amendments thereto of both domestic and foreign corporations as recorded in the office of the Secretary of State, under the certificate and seal of that office, shall be accepted as evidence in any court for any purpose in any action in which the original could be used. For furnishing a certified copy of the record to any party, the Secretary of State shall charge the same fee to be charged for the recordation of that instrument.

Committee on Ky. Statutes #1 reported **HB 199, SB 203, SB 182** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 199, AN ACT to establish a merit system of personnel administration for the civil service of the Commonwealth.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. **General Purpose.**

The general purpose of this Act is to establish for the state a system of personnel administration based on merit principles and scientific methods governing the recruitment, examination, appointment, promotion, transfer, lay-off, removal, discipline, and welfare of its civil employes and other incidents of state employment. All appointments and promotions to positions in the state civil service shall be made solely on the basis of merit and fitness, to be ascertained by competitive examination, except as hereinafter specified.

The General Assembly finds that this Act is necessary in order to improve the morale and motivation of state employes and to gain the maximum utilization of human resources in order to provide better service to the citizens of this Commonwealth.

Section 2. Definitions.

As used in this Act unless the context indicates otherwise:

(1) "Appointing officer" means the officer or employe or group of officers or employes authorized by law to make appointments.

(2) "Board" means the Personnel Board created by Section 5 of this Act.

(3) "Certification" means the referral of the name of a qualified prospective employe by the Commissioner of Personnel on request of an appointing officer for selection to a position in the classified service.

(4) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group.

(5) "Classified service" includes all the employment subject to the terms of this Act except for those positions expressly cited in Section 4 of this Act; a "classified position" is a position in the classified service.

(6) "Demotion" means a change in the rank of an employe from a position in one class to a position in another class having a lower minimum salary range and less discretion or responsibility.

(7) "Department" means the Department of Personnel provided for in Section 5 of this Act unless the context indicates otherwise.

(8) "Eligible" refers to a person who has made a passing score on any examination required under this Act and who has qualified to be placed on a register.

(9) "Emergency employe" means an employe appointed without regard to the examination requirements of this Act to a temporary position by reason of a governmental emergency recognized by the Governor, whose appointment is not to exceed thirty (30) working days in duration and is nonrenewable.

(10) "Employe" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis.

(11) "Position" means an office or employement in an agency (whether part-time, full-time, temporary or permanent, occupied or vacant) involving duties requiring the services of one person.

(12) "Probation" means the period of service following appointment to any position under this Act which requires special observation and evaluation of an employe's work and which must be passed successfully before status may be conferred as provided in Section 9 of this Act. An employe serving the probationary period is known as a "probationary employe."

(13) "Promotion" means a change of rank of an employe from a position of one class to a position of another class having a higher minimum salary and carrying a greater scope of discretion or responsibility.

(14) "Provisional employe" means any employe appointed on a temporary or interim basis to a permanent position under this Act without examination, such appointment being made necessary by the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in Section 9 of this Act.

(15) "Re-employment list" means the separate list of names of persons reduced in force by reason of lack of appropriations, curtailment of program or abolishment of organizational unit, and through no fault of their own, who have requested the opportunity for further consideration of state employment. Re-employment lists are used as provided in Section 9 of this Act.

(16) "Register" means any official list of eligibles for a particular class placed in rank order according to the examination records, which shall be used for selection for promotion or original appointment to a position in the classified service.

(17) "Status" means the acquisition of tenure with all rights and privileges appertaining thereunto after satisfactory completion of the probationary period by an employe in the classified service.

(18) A "temporary position" is one created for a defined period of time not to exceed six months in any event and not renewable; a "temporary employe" is one appointed to such temporary position, either from an existing pertinent eligible list or without reference to an eligible list. A "seasonal position," although temporary in duration in the foregoing sense, coincides in duration with a particular season or seasons of the year and may recur regularly from year to year; a "seasonal employe" is one appointed to such a seasonal position from an existing eligible list or without reference to an eligible list.

(19) "Transfer" means a movement of any employe from one position to another of the same grade having the same salary ranges and the same level of responsibility within the classified service.

Section 3. **Classified Service.**

(a) The classified service to which this Act shall apply shall include all employes of the Department of Fish and Wildlife Resources; the Commissioner, his principal assistant or deputy for the classified service and division directors of the Department of Personnel, and their secretaries, and all other positions in the state civil service now existing or hereafter established, except as provided in Section 4 of this Act.

(b) (1) The Department of Personnel and departments, commissions, boards or agencies presently covered by merit systems shall come under the provisions of this Act as of the effective date of this Act.

(2) Each head of a department, commission, board or agency shall certify to the Governor at any time after the effective date of this Act, but no later than July 1, 1961, that his department, commission, board or agency is ready to come under the provisions of this Act. Upon receipt of such certification, the Governor shall approve said certification and so inform the Personnel Board.

Section 4. **Classified Service; exception therefrom.**

(a) The classified service to which this Act shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:

(1) The General Assembly and employes of the General Assembly including the employes of the Legislative Research Commission.

(2) Officers elected by popular vote and persons appointed to fill vacancies in elective offices.

(3) Members of boards and commissions.

(4) Officers and employes on the staff of the Governor and the Lieutenant Governor.

(5) Heads of departments, including those appointed by boards and commissions except as provided in Section 3 of this Act.

(6) One principal assistant or deputy for each head of a department except as provided in Section 3 of this Act.

(7) One additional principal assistant or deputy for each head of a department in those instances in which the nature of the functions, size or complexity of the agency involved are such that the Personnel Board may approve such an additional principal or deputy on petition approved by the Commissioner of Personnel.

(8) Division directors, except as provided in Section 3 of this Act, subject to the provisions of subsection (b) of this section.

(9) Physicians employed as such by the State Tuberculosis Hospital Commission.

(10) One private secretary for each head of a department and for each principal assistant or deputy not included in the classified service.

(11) The Judicial Department, referees, receivers, jurors, and notaries public.

(12) Officers and members of the staffs of state universities and colleges and student employees of such institutions, provided that said institutions shall establish and implement a personnel system embodying the principles herein applicable to faculty members and staff; and officers, teachers, and employes of local boards of education.

(13) Patients or inmates employed in state institutions.

(14) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the General Assembly, or a commttee thereof, or by authority of the Governor.

(15) Unskilled laborers, truck drivers and other light equipment operators, excepting institutional employes of the unskilled laborer category, and seasonal and emergency employes. The Personnel Board shall determine the positions within these categories and shall promulgate rules relating thereto.

(16) Officers and members of the state militia.

(17) Peace officers in the Department of Public Safety, provided that said department shall maintain a personnel system embodying the principles herein applicable to peace officers.

(18) Nothing in this Act is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(19) Provided, however, that nothing herein is intended or shall be construed to affect any position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(b) It is further provided that the responsible departmental, board, commission or agency head shall at the time at which he elects to come under the provisions of this Act, certify to the Personnel Board the positions of those division directors or heads under their jurisdiction whose duties are non-policy making together with a sufficient statement of their duties to enable the board to determine whether or not, as a matter of fact, such duties are non-policy making in their nature. He shall, at any time subsequent to coming under the provisions of this Act, certify to the Personnel Board additional division directors or heads whose duties are non-policy making. At the time of certification notice thereof shall be given to the interested division director or head in the form of a copy of the statement certifying the duties of his office. The board may conduct such hearings as it may deem necessary, and shall conduct hearings pursuant to the administrative provisions of Section 14 hereof in the event of a difference of opinion between the certifying officer and the interested division director or head, before entering its findings of fact and an order either classifying or denying classification to such position.

Either the certifying officer or the division director or head may appeal the findings of fact and the final order of the board by initiating action in the Franklin Circuit Court pursuant to the provisions of KRS 418.040 et. seq.

(c) Classified employes with status promoted to positions exempted from classified service may, upon termination of their employment in the exempted service, revert to their classified status, but not necessarily to a particular position in the classified service.

(d) Nothing herein shall be construed as precluding appointing officers from filling non-classified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

Section 5. **Personnel Board, composition and qualifications.**

There shall be created by this Act a Department of Personnel headed by a Personnel Board in which shall be vested the constitutional powers and responsibilities of officers of the Commonwealth. The Personnel Board shall consist of five members appointed by the Governor for four year terms, and the Governor shall select citizens of Kentucky known for their devotion to the merit principle in government employment and the improvement of management and professional development of the public service of the state. No member of the Personnel Board shall be otherwise an employe or officer of the Commonwealth except faculty or staff members of the University of Kentucky or the state colleges. No member of the Personnel Board shall be a member of any local, state, or national committee of a political party, or an officer or member of a committee in any partisan political club or organization, or shall be or have been a candidate for any elective office within one year prior to appointment. Members of the Personnel Board shall receive compensation of forty dollars ($40.00) per diem and reimbursement of travel expenses and other special expenses for each called meeting of the Board which they attend. If any Board member misses three consecutive meetings for any reason other than illness or temporary absence from the Commonwealth, he shall be deemed to have vacated his office and the Governor shall proceed forthwith to appoint a successor to his unexpired term.

The members of the first Board shall be appointed by the Governor within thirty days of the effective date of this Act. Of the members first appointed, one shall serve until January 1, 1961, one until January 1, 1962, one until January 1, 1963, and two until January 1, 1964. Thereafter, each term shall run for four years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. Each member of the Board shall hold office until his successor is appointed and qualifies.

Members of the Personnel Board may be removed by the Governor only for cause after being given a copy of charges against them and an opportunity to be heard publicly, with the advice of counsel, on such charges against them before the Governor and a finding of fact by the Governor. A copy of the charges and transcript of the record of the hearing and findings of fact shall be filed with the Secretary of State.

The Personnel Board shall annually elect one of its members chairman. It shall meet at such time and place as shall be specified by call of the chairman or the Commissioner of Personnel. At least one meeting shall be held each month. All meetings shall be open to the public. Notice of each meeting shall be given in writing to each member by the Commissioner of Personnel at least three days in advance of the meeting. Three voting members shall constitute a quorum for the transaction of business. The Personnel Board shall keep records and minutes of its business and official actions, with the Commissioner of Personnel serving as secretary. Such minutes shall be public records open to public inspection, subject to such reasonable rules as to hours and conditions of inspection as the Board may establish. It shall be the duty of the officer or officers charged by law with the custody of the state buildings, upon written request of the Personnel Board, to assign suitable office space for executing the duties charged to it and to the Commissioner of Personnel.

Section 6. **Personnel Board duties.**

It shall be the duty of the Personnel Board to:

(1) Adopt comprehensive rules consistent with the provisions of this Act, and with federal standards for the administration of a personnel system in the agencies of the State Government receiving federal grants;

(2) Present to the Governor, through the Commissioner of Finance, for his adoption such classification and compensation plans for the state service, provision for vacation, sick and special leave and hours of work, together with rules for their administration, as recommended by the Commissioner of Personnel and the Board after a thorough survey of the personnel and departmental organizations included in such plan or plans;

(3) Make investigations, either on petition of a citizen, taxpayer, interested party, or on its own motion, concerning the enforcement and effect of this Act, and to require observance of its provisions and the rules and regulations made pursuant thereto; and to make such investigation as may be requested by the General Assembly or the Governor and to report thereon;

(4) Hear appeals from applicants for positions for which examinations are being or have been conducted, from eligibles on examination registers, and from officers or employes serving under the per-

sonnel system created by this Act, as hereinafter provided, subject to the procedural rules which the Board may adopt pursuant to the provisions of this section;

(5) Promote public understanding of merit principles in government service;

(6) Make annual reports to the Governor and biennial reports to the General Assembly, which reports shall be a public record freely available to those persons interested in obtaining a copy;

(7) Advise the Governor and the Commissioner of Personnel with respect to the administration of the personnel system created by this Act;

(8) Consider and act on such matters as may be referred to the Board by the Commissioner of Personnel; and

(9) Represent the public interest in the improvement of personnel administration in the state service, and advise and assist the Commissioner of Personnel in fostering the interest of institutions of learning and of civic, professional, and employe organizations in the improvement of personnel standards in the state service.

Section 7. **Commissioner of Personnel, appointment, qualifications.**

At its first meeting, and subsequently in the event of a prospective or actual vacancy in the position of Commissioner of Personnel, the Personnel Board shall appoint a committee of three persons publicly known to be sympathetic with the merit principle in government and skilled in personnel administration to conduct an examination for the position of Commissioner of Personnel pursuant to such specifications for the position as the Board may prescribe. The examination shall be conducted as promptly as possible, and in any event within ninety (90) days. The board shall certify, to the Governor, a list of those examinees whom they find qualified, and may further certify as "outstandingly qualified" those who in their judgment, possess such qualifications for the position. The Governor shall appoint a Commissioner of Personnel from the list so certified except that he may reject such a list and the Board shall certify additional qualified examinees.

The salary of the Commissioner of Personnel shall be twelve thousand dollars ($12,000.00) per annum.

The Commissioner of Personnel shall be considered an employe of the state and shall be a member of the classified service. He shall be a person who shall have had extensive training and experience in personnel administration or in allied fields, shall have known sympathies with the merit principle in government service, and shall evidence such other qualifications as in the opinion of the Personnel Board are essential to the performance of the duties of the position. He may be removed for cause by the Governor, but he shall have the same statutory rights to notice of the reasons for such removal and appeal to the Personnel Board as do all other classified state employes.

Section 8. **Commissioner of Personnel, duties.**

The Commissioner of Personnel shall be the executive and administrative head of the Department of Personnel and shall supervise and control all examinations and work of the Department. He shall act as the Personnel Board's adviser on all matters pertaining to the civil service of this state. Within the limitations of the budget, the Commissioner of Personnel shall appoint and supervise such staff as may be needed in the Department of Personnel to carry out the purposes of this Act. It shall be the duty of the Commissioner of Personnel, with the aid of his staff, to:

(1) Attend all meetings of the Personnel Board;

(2) Prepare and recommend to the Personnel Board rules and regulations for the purpose of carrying out the provisions of this Act. Such rules shall provide, among other things, the manner of completing appointments and promotions, including multiple and simultaneous certifications; rejection of ineligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examination; leaves of absence with and without pay; transfers, reinstatements, lay-offs; public notice of examinations, procedures for changes in rates of pay; and other conditions of employment;

(3) Establish general procedures for personnel recruitment, for certification, for improving the efficiency of employed personnel, and for the separation of employees deemed unsatisfactory or excessive by agency or department heads subject to the provisions of this Act.

(4) Appoint such examiners and technicians as are necessary for the conduct of the personnel program, whether on a permanent or temporary basis;

(5) Prepare and maintain a record of all employees, showing for each employee his name, post office address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, sick leaves, vacations, and to make such data and the class specifications for all positions available to the press and public;

(6) Prepare, in accordance with the provisions of this Act and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;

(7) Make certification for appointment or promotion within the classified service, in accordance with the provisions of this Act;

(8) Make investigations concerning all matters touching the enforcement and effect of the provisions of this Act and rules and regulations prescribed thereunder;

(9) Foster and develop, in cooperation with appointing authorities and others, programs for appraising employe work performance and collaborate with the several departments of the Commonwealth in the development of programs for employee training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the Department of Personnel to this end;

(10) Provide personnel services to unclassified employes in agreement with the agencies involved not otherwise provided for herein;

(11) Present, in accordance with the provisions of KRS 45.070, budget estimates for the support of the personnel system created by this Act;

(12) Make a report and submit the same to the Personnel Board and to the Governor not later than October first of each year; and

(13) Discharge such other duties as are imposed upon him by this Act, or by the Board. The Commissioner of Personnel on behalf of the Department may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

The Commissioner may from time to time designate in writing an employe of the Department to act for him in case of his absence or inability from any cause to discharge the powers and duties of his position. In such case, the powers and duties of the Commissioner shall devolve upon his designee.

The Commissioner may request appropriate persons, including officers and employes in the state service, to assist in the preparation and rating of tests. Department heads shall cooperate to the fullest extent possible in making the services of their employes available for such work.

Section 9. **Rules.**

(a) The Commissioner of Personnel shall prepare and submit to the Personnel Board proposed rules for the classified service.

Such rules shall have the force and effect of law, when approved by the Board, after public notice and public hearing. If not disapproved by the Board within forty-five days after the submission thereof, they shall have the same force and effect as if approved. Amendments thereto may be made in the same manner, or on the initiative of the Board. The rules shall provide:

(1) For the preparation, maintenance and revision of a position classification plan for all positions in the classified service, based upon similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required for and the

same schedule of pay may be equitably applied to all positions in the same class. After such classification has been approved by the Board, the Commissioner shall allocate the position of every employe in the classified service to one of the classes in the plan. Any employe affected by the allocation of a position to a class shall, after filing with the Commissioner of Personnel a written request for reconsideration thereof in such manner and form as the Commissioner may prescribe, be given a reasonable opportunity to be heard thereon by the Commissioner.

(2) For a pay plan for all employes in the classified service, after consultation with appointing authorities and the Commissioner of Finance. The plan shall take into account such factors as (a) the relative levels of duties and responsibilities of various classes of positions; (b) rates paid for comparable positions elsewhere; and (c) the state's financial resources. Such pay plan shall become effective only after it has been approved by the Governor after submission to him by the Board. Amendments to the pay plan may be made in the same manner. Each employe shall be paid at one of the rates set forth in the pay plan for the class of position in which he is employed.

(3) For open competitive examinations to test the relative fitness of applicants for the respective positions. Such examinations shall be announced publicly at least fifteen days in advance of the date fixed for the filing of applications therefor, and may be advertised through the press, radio and other media. The Commissioner shall continue to receive applications and examine candidates on a continuous basis long enough to assure a sufficient number of eligibles to meet the needs of the service, and shall add the names of successful candidates to existing eligible lists in accordance with their respective ratings. The Commissioner shall be free to use any investigation of education and experience and any test of capacity, knowledge, manual skill, character, personal traits, or physical fitness which in his judgment serves the need to discover the relative fitness of applicants.

(4) For the granting of appropriate preference in original entrance examinations to qualified persons who have been members of the armed forces of the United States in time of war, and who were honorably discharged. Such preference shall be in the form of points added to the final passing grades of such persons on original entrance examinations, provided that they otherwise qualify and are entitled to appear on the list of those eligible for appointment. The preference may be as much as five points for non-disabled persons, and as much as ten points for persons currently receiving compensation from the U. S. Veterans Administration for war-service-incurred disabilities certified as compensable. The rank of such persons on the eligible list shall then be determined on the basis of their augmented rating.

(5) For promotions which shall give appropriate consideration to

the applicant's qualifications, record of performance, conduct and seniority. Vacancies shall be filled by promotion whenever practicable and in the best interest of the service.

(6) For the establishment of eligible lists for appointment, upon which lists shall be placed the names of successful candidates in the order of their relative excellence in the respective examinations. Eligibility lists shall expire automatically at the end of two years, unless the life of a list is extended by action of the Personnel Board for a period not to exceed one additional year.

(7) For the rejection of candidates or eligibles who fail to comply with reasonable requirements of the Commissioner in regard to such factors as age, physical condition, training and experience, or who have been guilty of infamous or disgraceful conduct; who are addicted to alcohol to excess or to narcotics, or who have attempted any deception or fraud in connection with an examination.

(8) For the appointment of a person whose score is included in the three highest scores earned on the examination.

(9) For a period of probation not to exceed one year before appointment or promotion may be made complete, and during which period a probationer may be discharged or reduced in class or rank, or replaced on the eligible list. The appointing authority shall, within (30) days prior to the expiration on an employe's probationary period, notify the Commissioner in writing whether the probationary employe is recommended for permanent status. Only if the appointing authority certifies to the satisfactory nature of the probationary employe's service, shall permanent status be conferred.

(10) For emergency employment for not more than thirty days with or without examination, with the consent of the Commissioner.

(11) For provisional employment without competitive examination when there is no appropriate eligible list available. No such provisional employment shall continue longer than six months, nor shall successive provisional appointment be allowed, except during the first year after the effective date of this law in order to avoid stoppage of orderly conduct of the business of the Commonwealth.

(12) For transfer from a position in one department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges.

(13) For reinstatement within not more than five (5) years, only with the approval of the Commissioner, of persons who resign in good standing or who are laid off from their positions without fault or delinquency on their part.

(14) For developing, in cooperation with the appointing authorities, uniform standards and methods of appraising work performance of all employes and for the use of such methods of appraisal in personnel actions.

(15) For lay-offs by reasons of lack of funds or work, or abolishment of a position, or material change in duties or organization, and for reinstatement of employes so laid off, giving consideration in both lay-offs and reemployment to qualifications, performance records, conduct and seniority in service.

(16) For imposition as disciplinary measures of a fine of not more than ten days' pay or for suspension from the service without pay for not longer than thirty days.

(17) For discharge or reduction in rank or grade only for cause, after the person to be discharged or reduced has been presented with the reasons for such discharge or reduction stated in writing, and has been allowed a reasonable time to reply thereto in writing, or, upon request, to appear personally with counsel and reply to the head of the department or his deputy. The statement of reasons and the reply shall be filed as a public record with the Commissioner.

(18) For establishment of a plan for resolving employe grievances and complaints.

(19) For annual, sick and special leaves of absence, with or without pay, or reduced pay, after approval by the Governor as provided in Section 6 (2).

(20) For the development and operation of programs to improve the work effectiveness of employes in the state service, including training, whether in-service or compensated educational leave, safety, health, welfare, counseling, recreation, and employe relations.

(21) For promotion of career employes to positions in the unclassified service without loss of status to the individual employes so promoted.

(22) For such other rules and administrative regulations, not inconsistent with this law, as may be proper and necessary for its enforcement.

(b) The Commissioner of Personnel shall prepare and submit to the Governor proposed rules for the unclassified service persons in positions enumerated in Section 4, subsections (6), (7), (8), (9), (10), and (15) of this Act. Such rules shall be approved by the Governor and promulgated according to KRS, Chapters 12 and 13. The rules shall provide:

(1) For the preparation, maintenance and revision of a position classification plan for all positions in the unclassified service, based upon similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required for and the same schedule of pay may be equitably applied to all positions in the same class. After such classification plan has been approved by the Governor, the Commissioner shall allocate the positions of every employe in the unclassified service to one of the classes of the plan. Any employe affected by the allocation of a position to a class shall,

after filing with the Commissioner of Personnel a written request for reconsideration thereof in such manner and form as the Commissioner may prescribe, be given a reasonable opportunity to be heard thereon by the Commissioner.

(2) For a pay plan for all employes in the unclassified service, after consultation with appointing authorities and the Commissioner of Finance, and taking into account such factors as (a) the relative levels of duties and responsibilities of various classes of positions; (b) rates paid for comparable positions elsewhere; and (c) the state's financial resources. Such pay plan shall become effective only after it has been approved by the Governor after submission to him by the Commissioner of Personnel through the Commissioner of Finance. Amendments to the pay plan may be made in the same manner. Each employe shall be paid at one of the rates set forth in the pay plan for the position in which he is employed.

(3) For transfer from a position in one department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges.

(4) For annual, sick and special leaves of absence, with or without pay, or reduced pay, after approval by the Governor as provided in Section 6 (2).

(5) For the development and operation of programs to improve the work effectiveness and morale of employes in the unclassified service, including training, safety, health, welfare, counseling, recreation, and employe relations.

(6) For establishing the physical requirements and obtaining proof of meeting such requirements of persons applying for unskilled laborer positions outside the classified service.

(7) For such other rules and administrative regulations, not inconsistent with this law, as may be proper and necessary for its enforcement.

Section 10. **Duty to furnish facilities.**

(a) All officers and employes of the Commonwealth and of all its municipalities and political subdivisions shall allow the Department the reasonable use of public buildings under their control, and furnish heat, light and furniture for any examination, hearing, or investigation authorized by this law. The Department shall pay to a municipality or political subdivision the reasonable cost of any such facilities furnished by it.

Section 11. **Duties of Commonwealth officers and employes.**

(a) All officers and employes of the Commonwealth shall comply with, and aid in all proper ways in carrying out, the provisions of this law and the rules, regulations, and orders thereunder. All officers and employes shall furnish any records or information pertaining to the administration of this Act which the Commissioner may request. The Commissioner or the Board may require the Attorney General to institute and maintain such legal action as the Commissioner or the Board may consider necessary or appropriate to secure compliance with this Act and the rules and orders thereunder.

(b) The Commissioner of Finance may review and approve all proposed position establishments and abolishments. Reclassifications and reallocations may also be reviewed and approved by the Commissioner of Finance on the basis of the availability of funds.

(c) The Commissioner of Finance may take the necessary action to transfer to the Department of Personnel any personnel, records, and property heretofore employed by the various agencies in carrying out such functions as are assigned to the Department of Personnel by the provisions of this Act.

(d) Employees of the Kentucky Personnel Council and the Merit System Council who have probationary or permanent status under the merit system administered by them for the Department of Economic Security and the Department of Health shall be offered appointments to positions in the Department of Personnel with continuity of employment and status.

Section 12. **Status of Present Employes.**

(a) Employes in probationary or permanent status in a classified position, in separate merit system existing at the time this Act takes effect, in the Department of Health, Department of Fish and Wildlife Resources, the Commission for Handicapped Children, the Division of Community Services of the Department of Mental Health, and in the Department of Economic Security where required as a prerequisite to the grant of Federal funds, shall be continued in such status without further qualifying examination under this Act.

(b) Employes holding positions in the classified service as defined herein for one year or more immediately prior to the effective date of this Act, who pass or have passed qualifying examinations approved by the Commissioner of Personnel and who are recommended by their respective department, board, commission or agency head for the position they held, shall continue in the positions and have status in the classified service without further examination.

(c) Those employes holding their positions for less than one year immediately prior to the effective date of this Act may also be continued in their respective positions provided within one year after this law takes effect they pass a qualifying examination prescribed by the Commissioner of Personnel. The qualifying examinations may have been given before the effective date of this Act provided they are approved by the Commissioner of Personnel after the effective date of this Act as representing reasonable qualifying tests of fitness for the positions in which the employes are serving or are to serve on or after the effective date of this Act. Such employes shall be considered provisional employes and will be retained in the provisional category until they have qualified by examination no later than one year from the effective date of this Act and have completed a probationary period of one year for the positions they hold.

(d) The Commissioner shall conduct examinations to provide eligible lists to fill positions held by unqualified employes, as well as examinations to qualify present employes, as expeditiously as is practicable and in any event no later than one year from the effective date of this Act. Nothing herein shall preclude the reclassification or reallocation as provided by law of any position held by any such incumbent, and from the date of this Act all state employes, whether enjoying status or not, shall be expected to perform their duties efficiently and adhere to the highest ethical principles of conduct in such performance. Any employe who fails to pass the examination for his position shall be dismissed from his position 30 days after the establishment of an appropriate eligible list.

(e) As of the effective date of this Act all hiring for the classified service shall be on the basis of competitive examinations and certification by the Personnel Department in accordance with the provisions of this Act.

Section 13. **Certification of payrolls.**

(a) No disbursing or auditing officer of the Commonwealth shall make or approve or take any part in making or approving any payment for personal service to any person holding a position in the classified or unclassified service unless the payroll voucher or account of such pay bears the certification of the Commissioner, or of his authorized agent, that the persons named therein have been appointed and employed in accordance with the provisions of this law and the rules, regulations, and orders thereunder. The Commissioner may for proper cause withhold certification from an entire payroll or from any specific item or items thereon. The Commissioner may, however, provide that certification of payrolls may be made once every six months, and such certification shall remain in effect except in the case of any officer or employe whose status has changed after the last certification of his payroll. In the latter case no voucher for payment of salary to such employe shall be issued or payment of salary made without the further certification of the Commissioner.

(b) Any citizen, including public officers, may maintain a suit to restrain a disbursing officer from making any payment in contravention of any provision of this law, rule, regulation or order thereunder. Any sum paid contrary to any provision of this law or of any rule, regulation, or order thereunder may be recovered in an action maintained by any citizen, from any officer who made, approved, or authorized such payment or who signed or countersigned a voucher, payroll, check or warrant for such payment, or from the sureties on the official bond or any such officer. All monies recovered in any such action shall be paid into the Treasury.

(c) Any person appointed or employed in contravention of any provision of this law or of any rule, regulation, or order thereunder, who performs service for which he is not paid, may maintain an action against the officer or officers, employe or employes, who purported so to appoint or employ him, to recover the agreed pay for such services, or the reasonable value thereof if no pay was agreed upon. No such officer or employe shall be reimbursed by the Commonwealth at any time for any sum paid to such person on account of such services.

(d) If the Commissioner wrongfully withholds certification of the payroll voucher or account of any employe, such employe may maintain a proceeding in the courts to compel the Commissioner to certify such payroll voucher or account.

Section 14. **Appeals by employes to the Personnel Board.**

Any classified employe who is dismissed, demoted, suspended, or otherwise penalized after completing his probationary period of service may, within thirty days after such dismissal, demotion, suspension or penalization appeal to the Personnel Board for review thereof. Upon such review, both the appealing employe and the appointing authority whose action is reviewed shall have the right to be heard publicly and to be represented by counsel to present evidentiary facts. At the hearing of such appeals, technical rules of evidence shall not apply. If the Personnel Board finds that the action complained of was taken by the appointing authority for any political, religious, or ethnic reason, the employe shall be reinstated to his former position or a position of like status and pay, without loss of pay for the period of his suspension. In all other cases, the findings and recommendations of the Personnel Board shall be submitted to the appointing authority for his consideration, who may, not later than thirty days after receipt of such findings and recommendations, reinstate the employe with or without pay for the period of the suspension, modify his original decision of suspension, demotion, or discharge, or continue his original decision. When any employe is dismissed and not reinstated after such appeal, the Personnel Board in its discretion may direct that his name be placed on an appropriate re-employment list, for employment in any similar position other than the one from which he had been removed. Any action or decision taken or made hereunder shall be final and not subject to judicial review.

Section 15. **Records of the Department of Personnel.**

The records of the Department, except such records as the rules may properly require to be held confidential for reasons of public policy, shall be public records and shall be open to public inspection, subject to such reasonable regulations as to the time and manner of inspection as may be prescribed by the Commissioner.

Section 16. **Services to political subdivisions.**

(a) Subject to the approval of the Personnel Board the Commissioner may enter into agreements with any municipality or other political subdivision of the Commonwealth to furnish services and facilities of the Department to such municipality or political subdivision in the administration of its personnel on merit principles. Any such agreement shall provide for the reimbursement to the Department, under contract, of the reasonable cost of the services and facilities furnished, as determined by the Commissioner. All municipalities and political subdivisions of the Commonwealth are hereby authorized to enter into such agreements.

(b) The Commissioner may cooperate with the governmental agencies of other jurisdictions charged with personnel administration in conducting joint tests and establishing joint lists from which eligibles shall be certified for appointment in accordance with the provisions of this law.

(c) The Commissioner may, upon the request of the Commissioner of Health and upon the approval of the Personnel Board, furnish merit system services to "local" departments of health.

Section 17. **Retirement system.**

The Commissioner of Personnel shall serve ex-officio as a member of the Board of Trustees of the Kentucky Employees' Retirement System.

Section 18. **Oaths, testimony, and the production of records.**

The Personnel Board, each member of the Personnel Board, and the Commissioner shall have the power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by this law. Any person who shall fail to appear in response to a subpoena or to answer any question or produce any books or papers pertinent to any such investigation or hearing or who shall knowingly give false testimony therein shall be guilty of a misdemeanor.

Section 19. **Political activities prohibited.**

(a) No person shall be appointed or promoted to, or demoted or dismissed from, any position in the classified service, or in any way favored or discriminated against with respect to employment in the classified services because of his political or religious opinions or affiliations or ethnic origin.

(b) No person shall use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in appointment to a position in the classified service, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of any person.

(c) No employe in the classified service or member of the Personnel Board or Commissioner shall, directly or indirectly, pay or promise to pay any assessment for political purposes, or solicit or take any part in soliciting for any political party, or solicit or take any part in soliciting any political assessment, subscription, contribution, or service. No person shall solicit any political assessment, subscription, contribution, or service of any employe in the classified service.

(d) No employe in the classified service shall be a member of any national, state, or local committee of a political party, or an officer or member of a committee of a partisan political club, or a candidate for nomination or election to any paid public office, or shall take part in the management or affairs of any political party or in any political campaign, except to exercise his right as a citizen privately to express his opinion and to cast his vote. Officers or employes of the classified service may be candidates for and occupy a town or school district office if the office is one for which no compensation is provided and the election is on a nonpartisan basis.

(e) Any officer or employe of the classified service who wilfully violates any of the foregoing provisions of this section shall forfeit his office or position, and for one year shall be ineligible for any office or position in the Commonwealth's service. Violation of this section shall constitute a misdemeanor subject to a sentence of from thirty days to a maximum of six months in jail.

Section 20. **Unlawful acts prohibited.**

(a) No person shall make any false statement, certificate, mark, rating, or report with regard to any test, certification, or appointment made under any provision of this law or in any manner commit or attempt to commit any fraud preventing the impartial execution of this law and the rules, regulations or orders thereunder.

(b) No person shall, directly or indirectly, give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the classified service.

(c) No employe of the Department, examiner, or other person shall defeat, deceive, or obstruct any person in his right to examination, eligibility, certification, or appointment under this law, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the classified service.

Section 21. **Appropriations.**

(a) Appropriations shall be made from the general expenditure fund to the Department of Personnnel to meet the estimated pro rata share of the cost of administering the provisions of this Act for departments, commissions, boards or agencies which receive their sole support from the general expenditure fund.

(b) The Commissioner shall maintain accurate records reflecting the cost of administering the provisions of this Act. At the close of each quarter year period he shall summarize the cost and shall bill each department, commission, board or agency which receives support from sources other than the general expenditure fund, except the Department of Fish and Wildlife resources, for a pro rata share of the administrative cost based on the relationship between the quarterly average number of employes in the service of such department, commission, board or agency and the quarterly average number of employes in the service of all the departments, commissions, boards and agencies for the appropriate calendar quarter,

(c) All departments, commissions, boards or agencies which receive support from other than the general expenditure fund, except the Department of Fish and Wildlife Resources, shall include in their budgets sufficient amounts to meet their pro rata shares of the cost of administering this Act and shall remit such shares quarterly to the Department of Personnel in the manner provided by law.

(d) The department is authorized and directed to accept on behalf of the state any grant or contribution, federal or otherwise, made to assist in meeting the cost of carrying out the purposes of this Act.

Section 22. **Federal standards.**

The Personnel Board and the Commissioner shall see that rules, regulations and practices meeting federal merit system standards shall, where such standards apply as a prerequisite for federal grants-in-aid, be in effect continuously, notwithstanding any other provision of this Act.

Section 23. **Penalties.**

(a) Any person who wilfully violates any provision of this law or of the rules shall be guilty of a misdemeanor, and shall upon conviction be punished therefor with a sentence of from thirty days to a maximum of six months in jail.

(b) Any person who is convicted of a misdemeanor under this law shall, for a period of five years be ineligible for appointment to or employment in a position by the Commonwealth, and if he is an officer or employe of the Commonwealth, shall forfeit his office or position.

Section 24. **Separability.**

If any provision of this law or of any rule, regulation, or order thereunder or the application thereof to any person, department, or circumstances shall be held invalid, the remainder of this law and the application of such provision of this law or of such rule, regulation, or order to persons, departments, or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 25.

(a) Section 150.023 of the Kentucky Revisd Statutes is amended to read as follows:

(1) The members of the commission shall meet in Frankfort, quarterly, upon a date to be determined and fixed by the commissioner, or as often as may be necessary for the transaction of business, upon reasonable notice to each member of such meetings.

(2) The commission shall at all times keep a watchful eye upon the Department of Fish and Wildlife Resources, and advise the commissioner to take such action as may be beneficial to the department and in the interest of wild life and conservation of natural resources.

(3) The commissioner, with the approval of the commission, shall authorize such scientific and other studies as he deems necessary, and shall collect, classify and disseminate such statistics, data and information as in his discretion will tend to promote the objects of this chapter.

(4) The commissioner, with the approval of the commission, shall have the exclusive power to expend for the protection, conservation, propagation and restoration, and taking and harvesting of game birds, fish, fur-bearing animals and amphibians all funds of the state acquired for the protection, conservation, propagation or restoration of birds, animals, fish and amphibians, arising from licenses, gifts or otherwise.

Section 26.

Chapter 18 of the Kentucky Revised Statutes is repealed in its entirety and sections 150.071, 150.072, 150.080, 150.083, 156.140, 210.070, 439.490 of the Kentucky Revised Statutes are repealed, and any other statutes in conflict with the provisions of this Act are hereby repealed.

Section 27. **Effective date.**

This law shall take effect on July 1, 1960.

SB 203, AN ACT relating to the architectural profession.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 323.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the State Board of Examiners and Registration of Architects of Kentucky;

(2) An "architect" is a natural person proficient in the art of planning, designing, specifying, supervising and administering the construction of buildings and who is licensed to practice architecture;

(3) The "practice of architecture" consists of performing or offer-

ing to perform any professional service involving consultations, planning, designing, specifying, responsible supervision or administration of the construction of any building or additions or alterations thereto;

(4) A "building" is a structure erected as a shelter for human beings, their activities and possessions.

Section 2. Section 323.020 of the Kentucky Revised Statutes is amended to read as follows:

Except as otherwise provided hereinafter, no person shall practice architecture in the Commonwealth of Kentucky without first obtaining a license under the provisions of this chapter, it being the purpose of this chapter to safeguard the life, health, property and welfare of the public.

Section 3. Section 323.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) A non-resident licensed to practice architecture in his own state or country but not in the Commonwealth and having no established place of business in the Commonwealth may act solely as a consulting associate of an architect licensed in the Commonwealth..

(2) An architect acting solely as an officer or employe of the United States Government is not required to be licensed in the Commonwealth.

(3) A licensed professional engineer may prepare plans and specifications for and supervise the construction of structures as an incident to the practice of his own profession.

(4) This chapter does not apply to residential buildings containing not more than twelve bedrooms, to buildings which are to be used for farm purposes only, to any building costing $10,000 or less and not exceeding 30,000 cubic feet, or to alterations to any building costing $10,000 or less which does not involve changes affecting the structural safety thereof, provided the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law.

Section 4. Section 323.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) To obtain a license to practice architecture in Kentucky an applicant must satisfactorily pass an examination as prescribed by the board, except as otherwise provided in this chapter.

(2) Every applicant for examination shall fulfill the following requirements:

(a) must be of good moral character; and

(b) must be a citizen of the United States of Amercia and at least twenty-five years of age; and either

(c) must be a graduate of an accredited school of architecture with at least three years' additional architectural experience satisfactory to the board; or

(d) must be a graduate of an accredited high school or have had education equivalent thereto as determined by the board, and, in addition, at least ten years' varied architectural experience satisfactory to the board.

(3) Examinations shall be given at least semi-annually, the time and place to be established by the board.

Section 5. Section 323.060 of the Kentucky Revised Statutes is amended to read as follows:

Any person who is a licensed architect in another state or country where the qualifications prescribed at the time of licensing were, in the opinion of the board, equal to those prescribed in the Commonwealth at the date of application, and where reciprocal licensing privileges satisfactory to the board are granted to licensees of the Commonwealth, may be granted a license without an examination.

Section 6. Section 323.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) Fees for the following services shall be established by the rules of the board, and in no case shall they exceed the following schedule:

(a)	for an examination	$50.00
(b)	for a license certificate	25.00
(c)	for the restoration of an expired license	25.00
(d)	for a license to an architect satisfactorily licensed in another state or country	50.00

(2) The proper fee as prescribed above shall be paid to the board, and shall not be refunded in whole or in part.

Section 7. Section 323.090 of the Kentucky Revised Statutes is amended to read as follows:

Any applicant who fails to pass an examination may, without paying an additional fee, enter any subsequent examination held within three years from the date of the examination he failed to pass.

Section 8. A new section of Chapter 323 of the Kentucky Revised Statutes is created to read as follows:

(1) Each architect licensed for practice within the Commonwealth shall secure an embossed circular seal of the design prescribed by regulation of the board.

(2) All working drawings, specifications and reports prepared by, or under the supervision of the individual, partnership or firm, must bear the imprint of this seal.

(3) No architect shall sign or affix his seal to any drawings, specifications or reports which have not been prepared under his immediate supervision.

Section 9. Section 323.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) All architects desiring to continue practice shall annually, prior to July 1, secure from the board a renewal certificate upon the payment of a fee of not more than fifteen dollars. Not later than June 15 of each year the board shall notify by mail all architects of the renewal date and fee. Application for a renewal shall be upon such form as is prescribed by the board and the architect shall furnish the information required by such form.

(b) Failure of any architect to secure his renewal certificate within sixty days after July 1 shall constitute sufficient cause for the board to revoke his license.

(c) The board may restore a license that has been revoked for failure to pay the renewal fee, after one year from the date of revocation and upon the payment of all delinquent fees.

(2) A licensed architect may voluntarily surrender his license to the board and thereby be relieved of the annual renewal fee. After surrendering his license, he shall not be known as a licensed architect and shall desist from the practice thereof. Within five years from the time or surrender of the license he may again qualify for a license without examination by the payment of the required fee. If five years thereafter have elapsed, he shall return to the status of a new applicant.

Section 10. Section 323.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board may refuse to renew or may suspend or revoke the license of any architect to practice architecture in the Commonwealth of Kentucky for any of the following reasons:

(a) gross incompetency or gross negligence in the planning or construction of buildings, as determined by the board;

(b) unprofessional conduct, or conduct tending to bring the profession into disrepute, as determined by the board;

(c) conviction of a felony;

(d) fraudulent or dishonest architectural practice;

(e) use of false evidence or misrepresentations in an application for licensing;

(f) signing or affixing his seal to any plans, prints, specifications of buildings, or reports, which have not been prepared by him personally or by his employes under his supervision.

(2) The board shall revoke the license of an architect who practices architecture while his license is suspended.

Section 11. Section 323.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) No license shall be revoked or suspended without a hearing. The board may proceed against a licensee on its own initiative, on the basis of either information contained in its own records or information obtained through its informal investigation. When a formal complaint verified by affidavit is filed with the board by a responsible citizen or organization, containing allegations that if true would warrant suspension or revocation of a license, the board shall proceed against the licensee within three months.

(2) A written notice stating grounds for possible suspension or revocation of the license, setting forth with responsible particularity the facts constituting the alleged offense and the time and place of the hearing before the board on the charges, shall be served on the accused not less than twenty days prior to the date of the hearing either personally or by mailing a copy thereof by registered mail to the address of the accused last known to the board.

Section 12. Section 323.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board, or any member thereof, may issue subpoenas to compel the attendance of witnesses and the production of documents, and may administer oaths, take testimony, hear proof and receive exhibits in evidence. In case of disobedience to a subpoena the board may invoke the aid of the Franklin Circuit Court. Any order or subpoena of such court requiring the attendance and testimony of witnesses and the production of documentary evidence may be enforced and shall be valid anywhere in this state.

(2) At any hearing the accused may appear in person or by counsel, produce evidence and witnesses on his own behalf, cross-examine witnesses, and examine such evidence and documents as may be produced against him. The accused shall be entitled, on application to the board, to the issuance of subpoenas to compel the attendance of witnesses on his behalf. The board may also be represented by counsel.

(3) The board shall not be bound by technical rules of evidence, but the order of the board shall be based on competent evidence.

(4) A stenographic record of the proceedings shall be kept, but it shall not be necessary to transcribe shorthand notes unless an appeal is taken from the order.

(5) The board's order shall be in writing and shall be accompanied by findings of fact and conclusions of law.

(6) A copy of an order suspending or revoking a license shall be served upon the licensee by registered mail immediately upon entry by the board. Any license that is suspended or revoked shall be surrendered to the board accompanied by the licensee's certificate.

Section 13. A new section of chapter 323 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person whose license is revoked by the board may appeal from the order of revocation by filing in the Franklin Circuit Court a petition for appeal and a copy of the order of the board within 60 days of the date of entry of the order. He shall make bond for costs. The petition for appeal shall set forth with particularity the grounds upon which the appeal is taken. The licensee shall cause a copy of the petition for appeal to be served upon the secretary of the board.

(2) Within 30 days after service of notice of appeal, or within such further time as the court may allow, the board shall file in the Franklin Circuit Court the original or a certified copy of the entire record of the proceeding under review; but, by stipulation of the parties the record may be shortened.

(3) The filing of the petition for appeal shall not stay enforcement of the order; but upon motion of appellant the Franklin Circuit Court, in its discretion, may order a stay pending decision of the appeal. If the time for renewal of the license occurs during a stay of enforcement, the board shall grant a renewal upon application properly made and payment of the usual fees.

(4) The Franklin Circuit Court shall set the case for hearing without a jury and dispose of the appeal in a summary manner, being confined to the record made before the board except that new evidence may be introduced as to fraud. The court may hear oral arguments and receive written briefs. The court may affirm or set aside the board's order, or may remand the case to the board for further evidence, but shall be limited in making its decision to determining whether or not:

(a) there is any substantial evidence to support the order; or
(b) the board acted without or in excess of its powers; or
(c) the order appealed from was procured by fraud.

(5) Any aggrieved party may secure a review of an adverse judgment of the Franklin Circuit Court under this Act by appeal to the Court of Appeals. Such appeal shall be taken in the manner provided in the Rules of Civil Procedure.

Section 14. Section 323.150 of the Kentucky Revised Statutes is amended to read as follows:

The board shall consist of five members, four of whom shall be appointed by the Governor. The fifth member of the board shall be the Dean of the College of Engineering of the University of Kentucky. But if at any time a five-year professional curriculum of architecture is established in the Commonwealth of Kentucky, the head of such curriculum shall replace the Dean of the College of Engineering of the University of Kentucky as a member of the board.

Section 15. Section 323.170 of the Kentucky Revised Statutes is amended to read as follows:

All members of the board appointed by the Governor shall be architects registered in the Commonwealth of Kentucky and shall have been in the active practice of architecture for at least ten years immediately preceding their appointment, and shall have been residents of this Commonwealth for at least five years immediately preceding their appointment.

Section 16. Section 323.180 of the Kentucky Revised Statutes is amended to read as follows:

The board, at the first meeting of each fiscal year, shall elect a president, secretary and treasurer. The offices of secretary and treasurer may be held by the same person.

Section 17. Section 323.190 of the Kentucky Revised Statutes is amended to read as follows:

Each member of the board shall receive an amount not to exceed twenty-five dollars for each day or part thereof spent in the performance of his official duties, including time spent in necessary travel, and in addition, shall be reimbursed for all proper traveling and incidental expenses incurred in connection with said duties.

Section 18. Section 323.200 of the Kentucky Revised Statutes is amended to read as follows:

A quorum of the board shall consist of at least three members. The concurring votes of three members shall be considered as the action of the board, except in the case of revoking a license, in which case, the unanimous vote of the board shall be required.

Section 19. Section 323.210 of the Kentucky Revised Statutes is amended to read as follows:

(1) the board shall:

(a) adopt and provide itself with a seal with a band inscribed, "State Board of Examiners and Registration of Architects of Kentucky" with the coat of arms of the state in the center;

(b) make all necessary regulations concerning the contents and conduct of examinations, the method and time for filing applications for examinations and the time within which an applicant shall be examined after his application has been filed;

(c) keep a complete record of its proceedings and an accurate list of all applications made, licenses issued and licenses revoked; and

(d) make a general report including finances to the Governor annually.

(2) The board may adopt all reasonable regulations not inconsistent with this chapter that are necessary to carry into effect the purposes of this chapter.

Section 20. Section 323.230 of the Kentucky Revised Statutes is amended to read as follows:

Only persons licensed under this chapter may be styled or known as architects in Kentucky, or use any words or letters or assume any titles or description tending to convey the impression that they are architects.

Section 21. A new section of chapter 323 of the Kentucky Revised Statutes is created to read as follows:

Whenever in the judgment of the board any person has engaged, or is about to engage, in any acts or practices that constitute, or will constitute, a violation of KRS 323.020, the board may inform the Attorney General, who may make application to the Franklin Circuit Court for an order enjoining such acts or practices, or the board may inform the Commonwealth's Attorney of the county in which the acts or practices are occurring or will occur who may make application to the circuit court of that county for an order enjoining such acts or practices. Upon a showing by the board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court. Any order of the Franklin Circuit Court shall be enforceable and shall be valid anywhere in this state and the order of either court shall be reviewable as provided in the Rules of Civil Procedure in the case of other injunctions and restraining orders.

Section 22. Section 323.990 of the Kentucky Revised Statutes is amended to read as follows:

Any person who violates any provision of this chapter shall be fined not less than one hundred dollars nor more than five hundred dollars, or imprisoned not more than three months, or both.

Section 23. Sections 323.040, 323.070, 323.220 and 323.240 of the Kentucky Revised Statutes are repealed.

SB 182, AN ACT relating to Social Security for public officers and employes.

WHEREAS Congress has recently modified the rates of Social Security contributions, thereby necessitating a change in the State statute with regard to the contributions required to be made by and on behalf of public officers and employes, both state and local.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.450 is amended to read as follows:

(1) (a) Every employe of the state whose services are covered

by an agreement entered into under KRS 61.430 shall be required to pay for the period of such coverage, into the contribution fund established by KRS 61.470, contributions, with respect to wages received during the calendar years 1951 to 1953, both inclusive, equal to one and one-half percent of such wages; with respect to wages received during the calendar years of 1954 to 1956, both inclusive, not to exceed two percent of such wages; with respect to wages received during the calendar years 1957 to 1958, both inclusive, not to exceed two and one-fourth percent of such wages; with respect to wages received during the calendar year 1959, not to exceed two and one-half percent of such wages; with respect to wages received during the calendar years 1960 to 1962, both inclusive, not to exceed three percent of such wages; with respect to wages received during the calendar years 1963 to 1965, both inclusive, not to exceed three and one-half percent of such wages; with respect to wages received during the calendar years 1966 to 1968, both inclusive, not to exceed four percent of such wages; and with respect to wages received after December 31, 1968, not to exceed four and one-half percent of such wages. Such liability shall arise in consideration of the employe's retention in the service of the state, or his entry upon such service, after March 14, 1951.

(b) Notwithstanding the wording of the preceding paragraph, the rate of contributions shall, in all cases, be identical with the rate of contributions, or taxes, imposed by the Federal Insurance Contributions Act, as amended, and the Social Security Act, as amended.

(2) The contribution imposed by this section shall be collected by deducting the amount of the contribution from wages as and when paid, but failure to make such deduction shall not relieve the employe from liability for such contribution.

(3) If more or less than the correct amount of the contribution imposed by this section is paid or deducted with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made, without interest, in such manner and at such times as the state agency shall prescribe.

Section 2. KRS 61.460 is amended to read as follows:

(1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending the benefits of Title II of the Social Security Act, in conformity with applicable provisions of such Act, to employes of such political subdivision. Each such plan and any amendment thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(a) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under KRS 61.430;

(b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employes thereof, shall be covered by the plan;

(c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(d) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof;

(e) It provides that the political subdivisions will make such reports, in such form and containing such information, as the state agency may from time to time require, and will comply with such provisions as the state agency or the Federal Security Administrator may from time to time find necessary to assure the correctness and verifications of such reports; and

(f) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency, and as may be consistent with the provisions of the Social Security Act.

(2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1), and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

(3) (a) Each political subdivision for which a plan has been approved under this section is authorized to, and shall, pay into the Contribution Fund, with respect to wages, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430, and, furthermore, in anticipation of the due date of any payments of contributions required herein, is authorized to, and shall, make such advancements as the state agency, by regulation or contract, may require;

(b) Each political subdivision is authorized to, and shall, make such payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employes covered under any plan approved under subsection (1) of this section, but in no event shall such amount be greater than five percent of the contributions required under paragraph (a) of this subsection. Such payments shall be made into the State Treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated herein;

(c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employe's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution, with respect to wages received during the calendar years 1951 to 1953, both inclusive, equal to one and one-half percent of such wages; with respect to wages received during the calendar years 1954 to 1956, both inclusive, not to exceed two percent of such wages; with respect to wages received during the calendar years 1957 to 1958, both inclusive, not to exceed two and one-fourth percent of such wages; with respect to wages received during the calendar year 1959, not to exceed two and one-half percent of such wages; with respect to wages received during the calendar years 1960 to 1962, both inclusive, not to exceed three percent of such wages; with respect to wages received during the calendar years 1963 to 1965, both inclusive, not to exceed three and one-half percent of such wages; with respect to wages received during the calendar years 1966 to 1968, both inclusive, not to exceed four percent of such wages; and with respect to wages received after December 31, 1968, not to exceed four and one-half percent of such wages. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision under paragraph (a) of this subsection. Failure to deduct such contribution shall not relieve the employe or employer of liability therefore.

(d) Notwithstanding the wording of the preceding paragraph, the rate of contributions shall, in all cases, be identical with the rate of contributions, or taxes, imposed by the Federal Insurance Contributions Act, as amended, and the Social Security Act, as amended.

(4) Delinquent payments due under paragraph (a) of subsection (3), with interest at the rate of six per centum per annum, may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor, or may, at the request of the state agency, be deducted from any other moneys payable to such subdivision by any department or agency of the state.

Committee on Motor Vehicles, Commerce and Common Carriers reported **HB 223**, **HB 211** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 223, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.600 of the Kentucky Revised Statutes is amended to read as follows:

No person under the age of eighteen shall drive a motor vehicle while it is in use as a school bus for the transportation of pupils to or from school, or a church bus for the transportation of children to or from church, or drive a motor vehicle while it is in use as a public passenger-carrying vehicle.

Section 2. Section 189.370 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever any school bus or church bus used in the transportation of children is stopped upon a highway for the purpose of receiving or discharging passengers, the operator of a vehicle approaching from any direction shall bring his vehicle to a complete stop and shall not start up or attempt to pass until the bus has completed receiving or discharging passengers and has been put into motion.

(2) Subsection (1) shall be applicable only in the event the bus bears on the front and rear a plainly visible sign containing the words "School Bus" or "Church Bus," whichever is appropriate, in letters not less than six inches in height, which can be covered when the vehicle is not in use as a school or church bus.

Section 3. Section 189.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall turn a vehicle from a direct course upon a highway unless and until such movement can be made with reasonable safety, and only after a clearly audible signal has been given by sounding the horn if any pedestrian shall be affected by the movement. No person shall so turn any vehicle without giving an appropriate signal in the manner hereinafter provided in the event any other vehicle may be affected by such movement.

(2) A signal of the intention to turn right or left shall be given continuously for not less than the last one hundred feet traveled by the vehicle before turning.

(3) No person shall stop or suddenly decrease the speed of a vehicle without first giving an appropriate signal in the manner provided herein to the operator of any vehicle immediately in the rear when there is opportunity to give such signal.

(4) All signals required herein shall be given either by means of the hand and arm or by a signal lamp or lamps or a mechanical signal device, except that the operator of a motor vehicle used for the transportation of persons for hire with taxicabs excluded, the operator of a school or church bus, and the operator of any vehicle so constructed or loaded that a hand and arm signal would not be visible both to the front and rear of such vehicle shall indicate an intention to turn by use of a signal lamp or lamps or mechanical signal device and must indicate an intention to stop or suddenly decrease speed

by illuminating at least one red or yellow light with the word "Stop" on it on the rear of the vehicle.

(5) All signals herein required given by hand and arm shall be given from the left side of the vehicle in the following manner, and such signals shall indicate as follows:

(a) Left turn—hand and arm extended horizontally;
(b) Right turn—hand and arm extended upward;
(c) Stop or decrease speed—hand and arm extended downward.

Section 4. Section 189.550 of the Kentucky Revised Statutes is amended to read as follows:

Operators of motor vehicles transporting children to or from school or church shall stop their motor vehicles before crossing over any steam or electric interurban railroad main tracks at a grade. The stop shall be made at not less than ten feet nor more than thirty feet from the nearest railroad over which the highway crosses, except where the crossing is protected by gates or a flagman employed by the railroad. After making the stop, the operator shall carefully look in each direction for approaching cars or trains and shall not start his vehicle until it is ascertained that no cars or trains are approaching in either direction.

HB 211, AN ACT relating to motor transportation, amending Section 281.645 of the Kentucky Revised Statutes, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 281.645 of the Kentucky Revised Statutes is amended to read as follows:

(1) When any application for a certificate or permit, or for an amendment thereto has been heard and denied by the Department, or approved by the department and the final order of the department later set aside by a Court of competent jurisdiction, the department shall not accept another application concerning the same or similar routes or service until the expiration of six months from the date of the original final order of the department, unless the denial was based upon the applicant's failing to show that he was fit, willing and able.

(2) In the event that at the time of denial, unless the denial was based upon the applicant's failing to show that he was fit, willing and able, there is on file with the department any other application concerning the same or similar routes or service as that denied, the department shall take no further action upon such application for a period of six months from the date of denial unless the hearing relative to such application has been concluded prior to the denial.

(3) In no event shall the provisions of subsection (1) and (2)

hereof is construed to apply to any application which the commissioner has by order dismissed without prejudice.

Section 2. Whereas, the present law results in unfair hardship on applicants who seek to engage in public transportation, an emergency is declared to exist and this act shall become effective immediately upon its passage and approval by the Governor.

Committee on Library and Historical Records reported **SB 195** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 195, AN ACT relating to the Kentucky Historical Society.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

The Kentucky Historical Society created by 1880, c. 244, shall have all the powers and liabilities of a corporation and there is hereby granted to the Society the following Charter:

I

The Kentucky Historical Society shall collect, maintain and preserve authentic records, information, facts and relics connected with the history of the Commonwealth and the genealogy of her peoples; and promote a wider appreciation of the American heritage, with particular emphasis on the advancement and dissemination of knowledge of the history of Kentucky. The Society may receive and hold by donation or devise, real or personal property to any extent and may, by gift, loan, purchase or otherwise hold books, papers, documents, historical memorials, and any other articles suited to promote the objects of the Society in the Old State Capitol Building but all such property shall be held in trust for the Commonwealth of Kentucky according to the terms of acceptance.

II

All American citizens, partnerships, corporations or associations who shall evidence their dedication to the promotion of the objects and purposes of the Society may become active members thereof upon their approval by the Executive Committee, and the payment of annual dues in a sum determined by the Executive Committee. Any person possessing the qualifications for membership may become a life member on the payment of a sum ten times the amount of the annual dues. Every member in good standing, including the authorized representative of an institutional member, shall have the right to vote in person or by proxy, hold office, and otherwise take part in the proceedings of the Society. Membership may be terminated by resignation or non-payment of dues.

III

The officers of the Society shall consist of members of the Executive Committee, a President, First, Second and Third Vice-Presidents, Director, Editor, Comptroller, Curator, Librarian and such Assistants and other officers as the Executive Committee may provide for. All officers shall be elected for a term of one year at the annual meeting of the Society in a manner provided by law, and the President shall be ineligible to succeed himself.

IV

There is hereby created the Board of Curators of the Society, referred to herein as the Board, which shall consist of thirty-nine members. It shall be composed of the Governor of the Commonwealth, who shall be Chancellor, the Director of the Society and the Director of State Archives and Records, eighteen members of the Society appointed by the Executive Committee and a like number appointed by the Governor. The Board shall be divided into four equal classes, so arranged that the term of one class shall expire at each annual meeting of the Society.

The Board shall perform, in addition to the duties imposed upon it by law, such duties as the Society may from time to time prescribe and the Board shall consider and make recommendations to the Executive Committee in such matters as the Board may deem calculated to promote and advance the best interests of the Society and the purpose for which it was formed and it shall adopt by-laws to facilitate its functions.

V

The Board shall meet in the City of Frankfort not less than four times during each calendar year but it may hold special meetings in any other location when the work of the Board would be facilitated thereby. All meetings shall be called by the Director when requested by the Chancellor, the President or any four members of the Board.

VI

The Board shall endeavor at all times to promote the historical interest of the Commonwealth of Kentucky, counsel and advise the Executive Committee and Officers of the Society in the conduct in the operation of the business and programs calculated to promote the best interest of the Commonwealth and its citizens. It shall make an annual report to the Society on the approval of the Chancellor, concerning all significant actions of the Board, the condition of the Society and its work, and such recommendation as may seem appropriate.

VII

There is hereby created an Executive Committee which shall consist of sixteen members, in addition to the Director of State Archives and Records. The Executive Committee shall be divided into four equal classes, so arranged that the terms of one class shall expire at each annual meeting of the Society. The class whose term expires shall be ineligible to succeed itself. It shall adopt by-laws, subject to the approval of a majority of the members of the Committee present and voting at any regular or special meeting, prescribing the powers and duties of its officers and employees as provided by law. It shall execute all the powers and duties conferred on the Society except those expressly delegated to other officers by the by-laws. As a part of the Executive Committee's power to perform its function as the Governing body of the Society, there is expressly included the power to supervise and direct the financial and personnel concerns of the Society, cooperate with and provide assistance for the Department of State Archives and Records Commission, provide by contract, subject to the approval of the Department of Finance, for all the printing, publications and distribution of reports, books, and other publications calculated to promote and advance the Historical interest of Kentucky and otherwise conduct the ordinary affairs of the Society. The Committee shall also have the power to fill any vacancies until the next regular election, including those occurring within it's own membership, appoint standing and Special Committees, and designate Honorary members.

VIII

The Executive Committee shall hold regular meetings on the first Friday after the first Monday in January, April, July and November. Matters to be determined and discussed at such meetings shall be furnished the Director at least ten days prior to such meetings in order that he may prepare and distribute an agenda to each member of the Committee at least three days before the meeting. Special meetings shall be held at the request of the President or any three members of the Committee, provided the Director gives written notice together with the agenda of such meeting at least ten days in advance. In an emergency, nine members of the Committee may waive the provision of notice.

IX

The Executive Committee shall, by Executive order, approve an annual budget, provide for and fix the salaries of certain officers and employees, provide for the publication or preservation of all historical manuscripts, coordinate the functions of the Society with those of the State Archives and Records Commission, publish an Edition to be known as the "Register", augment the Society's various collections at all times, supervise and direct the ordinary affairs of the Society and appoint a nominating Committee and other necessary Committees.

X

The regular annual meeting of the Society shall be held in the Old State Capitol Building on the first Friday after the first Monday in November. The meeting shall be presided over by the President and shall be open to all members. Special meetings may be called in Frankfort or elsewhere by the President or a majority of the Executive Committee, or by the Director upon the written request of twenty members of the Society. Members shall have fifteen days written notice of the time, place and object of the meeting.

XI

A majority of those present and voting shall constitute a quorum for the transaction of all business of the Society, it's Boards and Committees.

XII

The President of the Society shall be the Chief Executive officer and shall preside over meetings of the Board of Curators, at the request of the Chancellor, and all meetings of the Society or it's Committees. He shall recommend the appointment of all necessary or desirable Committees required to properly conduct the affairs of the Society and he shall be the Chairman of any and all Committees appointed by the Executive Committee. He shall be paid expenses incurred in the performance of any extraordinary services required of him by the Executive Committee, or the Board of Curators.

XIII

The Vice-Presidents of the Society shall preside in the absence of their successive superiors in office at all meetings of the Society and Committees. They shall attend all regular and special meetings of the Society and the Executive Committee and endeavor to familiarize themselves with the conduct and operations of the affairs of the Society. They shall aid and assist the President in the performance of his duties, counsel and advise the Executive Committee and endeavor at all times to advance and promote the public interest in the history of Kentucky and her people.

XIV

The Director of the Society shall attend and keep minutes of all meetings of the Society and the Executive Committee, send out notices, act as custodian of all records, funds and property of the Society in a manner directed and approved by the Executive Committee. He shall execute a bond to the Commonwealth approved by the Executive Committee for the proper accounting of all records, funds and property coming into his hands for the Society. He shall exhibit the financial records of the Society at each meeting of the Executive Committee and make an annual report to the Society at its annual meeting. He shall prepare an agenda for all matters to be discussed and determined at all regular and special meetings of the Executive Committee and distribute same to the members at least three days prior to the meeting. As soon as practicable after each meeting of the Executive Committee he shall prepare and distribute copies of the minutes of the meeting to the members. He shall be a member of the State

Archives and Records Commission in order that he may coordinate the functions of the Society with those of the Archives and Records Commission. He shall act as Administrative Assistant to the Chancellor, the President and the Chairman of all Committees and perform such other duties as may be assigned to him by the Executive Committee or the Board of Curators.

XV

There shall be an Editor of the Register who shall conduct all necessary research and assemble manuscripts and contributions desirable for publication therein. He shall promote and encourage projects calculated to advance the history and archives of the Commonwealth, in addition to other duties that may be defined for him in the by-laws of the Executive Committee, or the Publication Committee, as appointed by the Chancellor.

XVI

The Comptroller shall be the chief financial officer of the Society and shall execute bond to the Commonwealth in such amount as may be determined by the Executive Committee. He shall prepare all budget requests, procure the allotments, from all appropriations or agency funds as directed by the Executive Committee, prepare and keep all books and records necessary to transact the Society's business and reflect its financial condition at all times and report thereon to each regular meeting of the Executive Committee. He shall be accountable to the Executive Committee and the Commonwealth for the receipt and disbursement of all monies used in the maintenance, operation, and promotion of the Society and perform such other services as may be required of him by the Executive Committee or the Board of Curators.

XVII

All rights, duties and liabilities of the Curator and Librarian of the Society shall be defined in the by-laws of the Executive Committee. Particular emphasis shall be placed upon the acquisition and preservation of museum exhibits, the development of the Society's collection of printed materials and manuscripts. Emphasis shall also be impressed upon the importance of securing outstanding collection and items of historical value consistent with the established collecting policies of the Society.

The Librarian shall approve the context of all Historical Markers and shall, at the direction of the Executive Committee, select the place and location where such markers are to be erected.

XVIII

Nominations to membership on the Executive Committee and to the offices of President, First Vice-President, Second Vice-President and Third Vice-President, shall be made by a Nominating Committee, or, by written petition signed by not less than one hundred members of the Society. The Nominating Committee shall consist of five members, shall be appointed at the first regular meeting of the Executive Committee after its election and shall consider candidates for the Constitutional offices during the year of their appointment. The Nominating Committee shall meet in the office of the Director 45 days prior to the regular annual meeting in November 1960 and nominate at least sixteen candidates for membership on the Executive Committee and in addition at least one candidate for the office of President, First Vice-President, Second Vice-President, and Third Vice-President, Director, Editor, Comptroller, Curator and Librarian and file same with the President. Annually thereafter the Nominating Committee shall meet and nominate at least one candidate for the proper offices. All nominations by written petition shall be filed with the President prior to the annual meeting. Upon the call for the election of officers the President shall promptly report the nominations by the Nominating Committee together with the nominations of any by written petition. When more than the required number of candidates have been nominated for membership on the Executive Committee or more than one candidate for the offices to be filled, the President shall call for an election by the vote of those present, together with the number of votes cast by proxy, and a plurality of all votes cast shall be sufficient to elect. Where no vote count is required the President shall cast one vote for each candidate and he or she shall be declared elected.

XIX

This Charter may be amended by a two thirds vote of the members present and voting at any regular meeting or at any special meeting of the Society called for the purpose, provided that written notice containing the substance of the proposed amendments shall have been mailed to members not less than thirty days in advance of such meeting and the same approved as an amendment by the first General Assembly, meeting after the action of the Society.

Section 2. Sections 171.310 and 171.330 of the Kentucky Revised Statutes are repealed.

Committee on Revenue and Taxation reported **HB 244, HB 260** with the expression of opinion that same should pass, **SB 3** with the expression of opinion that same should pass by way of Committee Substitute. **HB 244, HB 260** and Committee Substitute for **SB 3** read at length for the first time and ordered placed in the Calendar.

HB 244, AN ACT conferring upon counties having a population of 300,000 or more, the right and power to levy, assess and collect license taxes for county purposes; and the issuance and enforcement of licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Fiscal Court of each county having a population of 300,000 or more, may by order or resolution impose license fees on franchises, provide for licensing any business, trade, occupation or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on such business, trade, occupation, or profession for revenue purposes shall be imposed at a percentage rate or rates not to exceed 1¼% of (a) salaries, wages, commissions and other compensation earned by persons within the county for work done and services performed or rendered in the county, and (b) the net profits of businesses, trades, professions, or occupations from activities conducted in the county. Licenses imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No company that pays an ad valorem tax and a franchise tax shall be required to pay a license tax, and no license tax shall be imposed upon or collected from any bank, trust company, combined bank and trust company or combined trust, banking and title business in this state, or in other cases where the county is prohibited by statute from imposing a license tax.

Section 2. The Fiscal Court of said counties may provide for the levy, the assessment and the collection of such license taxes, provide for the issuance and enforcement of licenses, and specify the county governmental purposes to which the revenue therefrom shall be applied.

Section 3. Any amount paid to any city of the first class within such county as a license fee, for the same privilege and for the same period, shall be credited against the county license fee payable hereunder. Any amount paid to any other city within such county as a license fee, for the same privilege and for the same period, shall be credited against the county license fee payable hereunder, provided that such city, at least thirty (30) days prior to the beginning of any county fiscal year, has contracted with the Fiscal Court to contribute annually to the support of joint agencies of such County and one or more cities in the County, an amount which bears the same ratio to the annual appropriation made for such joint agencies by a city of the first class in the County, as the assessed valuations for County tax purposes, as determined by the County Tax Commissioner, of the real and tangible personal property, excluding franchises, located within the corporate limits of such other cities, respectively, bears to the same assessed valuations within a city of the first class in said County.

Section 4. Nothing in this Act shall be construed to repeal, amend, or affect in any way the provisions of KRS 243.060.

Section 5. This act shall not in any wise appeal, amend, affect or apply to any existing statute exempting property from local taxation or fixing a special rate on proper classification or imposing a state tax which is declared to be in lieu of all local taxation, nor shall it be construed to authorize a county to require any company that pays both an ad valorem tax and a franchise tax to pay a license tax.

Section 6. This Act shall not be construed as repealing KRS 91.200, or KRS 92.281 or any of the laws of the Commonwealth relating to the levy of license taxes, but shall be held and construed as ancillary and supplemental thereto.

Section 7. If any section, paragraph, clause, or provision of this Act shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect the validity of any of the remaining provisions hereof.

HB 260, AN ACT relating to the acquisition of industrial buildings by cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

All properties, both real and personal, which a city may acquire to be rented or leased to an industrial concern according to KRS 103.200 to 103.280, shall be exempt from taxation to the same extent as other public property used for public purposes, as long as the property is owned by the city.

Committee Substitute for **SB 3**, AN ACT relating to corporation taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) The term "small business corporation" means a corporation which is not a member of an affiliated group, as defined in KRS 141.205, and which does not:

(a) have more than ten shareholders;

(b) have as a shareholder a person other than an estate who is not an individual;

(c) have a nonresident as a shareholder; and

(d) have more than one class of stock.

(2) The term "electing small business corporation" means, with respect to any taxable year, a small business corporation which has made an election under Section 4 of this Act and which, under Section 7 of this Act, is in effect for such taxable year.

(3) The term "undistributed taxable income" means the taxable income computed as provided in KRS 140.010 (11) minus the amount of money distributed as dividends during the taxable year, to the

extent that any such amount is a distribution out of earnings and profits of the taxable year.

(4) The term "gross income" means the term as defined in KRS 141.010 (25).

Section 2. For the purpose of Section 1 (1) (a) of this Act, stock which is:

(1) community property of a husband and wife or the income from which is community income under the applicable community property law of a State; or

(2) held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common
shall be treated as owned by one shareholder.

Section 3. (1) A corporation, which meets all the requirements of Section 1 (1) of this Act other than the residency requirement of its shareholders, may become a small business corporation for the purpose of this Act by:

(a) filing with the Department of Revenue its consent to be liable for the tax which a non-resident shareholder fails to pay on his share of the corporation's undistributed taxable income; and

(b) posting a bond in an amount as determined by the Commissioner of Revenue for the purpose of indemnifying the State against loss of revenue by virtue of a non-resident shareholder's failure to pay the tax imposed by this Act and KRS Chapter 141.

(2) A corporation's liability under this section shall not exceed the pro rata amount of tax which the corporation would have paid, if the election under Section 4 of this Act had not occurred.

Section 4. Except as provided in Section 9 of this Act, a small business corporation may elect, in accordance with the provisions of this Act, not to be subject to the tax imposed by KRS 141.040. The election shall be valid only if all persons who are shareholders in the corporation

(1) on the first day of the first taxable year for which the election is effective, if the election is made on or before such first day, or

(2) on the day on which the election is made, if the election is made after such first day,
consent to the election.

Section 5. (1) If a small business corporation makes an election under Section 4 of this Act, then with respect to the taxable years of the corporation for which the election is in effect, the corporation shall not be subject to the tax imposed by KRS 141.040 and, with respect to such taxable years and all succeeding taxable years, the provisions of Section 17 shall apply to the corporation.

(2) If a small business corporation makes an election under Sec-

tion 4 of this Act, then with respect to the taxable years of a shareholder of the corporation in which or with which the taxable years of the corporation for which the election is in effect end, the provisions of Section 10, 11, 12, 13, 14 and 15 of this Act shall apply to the shareholder, and with respect to such taxable years and all succeeding taxable years, the provisions of Section 16 of this Act shall apply to the shareholder.

Section 6. (1) A small business corporation may make an election under Section 4 of this Act for any taxable year at any time during the first month of the taxable year, or during the month preceding.

(2) For the first taxable year which begins after December 31, 1959, and on or before the effective date of this Act, the election may be made within 90 days from the effective date of this Act; or, if the taxable year ends within the 90-day period, the election may be made before the close of such taxable year. No election may be made under this Subsection unless the electing small business corporation has been a small business corporation on each day after December 31, 1959 and before the day of the election.

Section 7. (1) An election shall be effective for the taxable year of the corporation for which it is made and for all succeeding taxable years of the corporation, unless it is terminated or revoked with respect to any such taxable year, under Section 8 of this Act.

Section 8. (1) An election under Section 4 of this Act made by a small business corporation shall terminate if any person who was not a shareholder in the corporation on the first day of the first taxable year of the corporation for which the election is effective, if such election is made on or before such first day, or on the day on which the election is made, if the election is made after such first day, becomes a shareholder in the corporation and does not consent to the election within the time as the Commissioner of Revenue shall prescribe. The termination shall be effective for the taxable year of the corporation in which such person becomes a shareholder in the corporation and for all succeeding taxable years of the corporation.

(2) An election under Section 4 of this Act made by a small business corporation shall terminate if at any time after the first day of the first taxable year of the corporation for which the election is effective, if the election is made on or before such first day, or after the day on which the election is made, if such election is made after such first day, the corporation ceases to be a small business corporation. The termination shall be effective for the taxable year of the corporation in which the corporation ceases to be a small business corporation and for all succeeding taxable years of the corporation.

(3) An election under Section 4 of this Act made by a small business corporation shall terminate if for any taxable year of the corporation for which the election is in effect, the corporation derives

more than eighty percent of its gross receipts from sources outside the United States. The termination shall be effective for the taxable year of the corporation in which it derives more than eighty percent of its gross receipts from sources outside the United States, and for all succeeding taxable years of the corporation.

(4) An election under Section 4 of this Act made by a small business corporation shall terminate if, for any taxable year of the corporation for which the election is in effect, the corporation has gross receipts more than twenty percent of which is derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (gross receipts from such sales or exchanges being taken into account for purposes of this subsection only to the extent of gains therefrom). The termination shall be effective for the taxable year of the corporation in which it has gross receipts of such amount, and for all succeeding taxable years.

(5) An election under Section 4 of this Act made by a small business corporation may be revoked by it for any taxable year of the corporation after the first taxable year for which the election is effective. An election may be revoked only if all persons who are shareholders in the corporation on the day on which the revocation is made consent to the revocation. A revocation under this subsection shall be effective for the taxable year in which made, if made before the close of the first month of the taxable year, or for the taxable year following the taxable year in which made, if made after the close of such first month, and for all succeeding taxable years of the corporation.

Section 9. If a small business corporation has made an election under Section 4 of this Act and if the election has been terminated or revoked under Section 8 of this Act, the corporation and any successor corporation shall not be eligible to make an election under Section 4 of this Act for any taxable year prior to its fifth taxable year which begins after the first taxable year for which the termination or revocation is effective, unless the Commissioner of Revenue consents to such election.

Section 10. (1) The undistributed taxable income of an electing small business corporation for any taxable year shall be included in the gross income of the shareholders of the corporation in the manner and to the extent set forth in this section.

(2) Each person who is a shareholder of an electing small business corporation on the last day of a taxable year of such corporation shall include in his gross income, for his taxable year in which or with which the taxable year of the corporation ends, the amount he would have received as a dividend, if on such last day there had been distributed pro rata to its shareholders by the corporation an amount equal to the corporation's undistributed taxable income for

the corporation's taxable year. For the purposes of this Act and KRS Chapter 141 the amount so included shall be treated as an amount distributed as a dividend on the last day of the taxable year of the corporation.

(3) Each person who is a shareholder of an electing small business corporation shall include in his gross income for his taxable year, the amount of dividends actually paid to him by the corporation during his taxable year; and such dividends as well as undistributed taxable income for the purposes of this Act, and KRS Chapter 141 shall be deemed income derived from business, trade, profession, occupation or other activity carried on in this state by the shareholder.

(4) For purposes of this Act, the taxable net income of an electing small business corporation shall be determined as provided in KRS 141.010 (11).

Section 11. (1) An operating loss of an electing small business corporation for any taxable year shall be allowed as a deduction from gross income of the shareholders of the corporation in the manner and to the extent set forth in this Act.

(2) Each person who is a shareholder of an electing small business corporation at any time during a taxable year of the corporation in which it has an operating loss shall be allowed as a deduction from gross income, for his taxable year in which or with which the taxable year of the corporation ends or for the final taxable year of a shareholder who dies before the end of the corporation's taxable year, an amount equal to his portion of the corporation's operating loss as determined under Section of this Act.

(3) The deduction allowed by subsection (2) of this section shall, for purposes of this Act and KRS Chapter 141, be considered as a deduction attributable to a trade or business carried on by the shareholder.

Section 12. (1) For purposes of this Act, a shareholder's portion of the operating loss of an electing small business corporation is his pro rata share of the corporation's operating loss for his taxable year in which or with which the taxable year of the corporation ends. For purposes of this subsection, a shareholder's pro rata share of the corporation's operating loss is the sum of the portions of the corporation's daily operating loss attributable on a pro rata basis to the shares held by him on each day of the taxable year. For purposes of the preceding sentence, the corporation's daily operating loss is the corporation's operating loss divided by the number of days in the taxable year.

(2) A shareholder's portion of the operating loss of an electing small business corporation for any taxable year shall not exceed the sum of —

(a) the adjusted basis, determined without regard to any adjustment under Section 16 of this Act for the taxable year, of the shareholder's stock in the electing small business corporation, determined as of the close of the taxable year of the corporation, or, in respect of stock sold or otherwise disposed of during such taxable year, as of the day before the day of the sale or other disposition, and

(b) the adjusted basis, determined without regard to any adjustment under Section 16 of this Act for the taxable year of any indebtedness of the corporation to the shareholder, determined as of the close of the taxable year of the corporation or, if the shareholder is not a shareholder as of the close of the taxable year, as of the close of the last day in the taxable year on which the shareholder was a shareholder in the corporation.

Section 13. (1) The amount includible in the gross income of a shareholder as dividends, including amounts treated as dividends under Section 10 of this Act from an electing small business corporation during any taxable year of the corporation, to the extent that such amount is a distribution of property out of earnings and profits derived from business done, property located, activities or sources in this state of the taxable year as specified in Section 316 (a) (2) of the Internal Revenue Code in effect on January 1, 1956, shall be treated as a long-term capital gain to the extent of the shareholder's pro rata share of the excess of the corporation's net long-term capital gain over its net short-term capital loss for such taxable year. For purposes of this subsection the excess shall be deemed not to exceed the corporation's taxable net income, computed as provided in Section 10 (4) of this Act for the taxable year.

(2) A shareholder's pro rata share of the excess for any taxable year shall be an amount which bears the same ratio to the excess as the amount of dividends described in subsection (1) of this section includible in the shareholder's gross income bears to the entire amount of dividends described in subsection (1) of this section includible in the gross income of all shareholders.

Section 14. Any dividend received by a shareholder from an electing small business corporation, including any amount treated as a dividend under Section 10 (2) of this Act, may be apportioned or allocated by the Commissioner of Revenue between or among shareholders of the corporation who are members of the shareholder's family as defined in Section 704 (e) (3) of the Internal Revenue Code in effect on January 1, 1956, if he determines that the apportionment or allocation is necessary in order to reflect the value of services rendered to the corporation by the shareholders.

Section 15. (1) An electing small business corporation may distribute to any shareholder all or any portion of the shareholder's net share of the corporation's undistributed taxable income for taxable years prior to the taxable year in which such distribution is made.

Any such distribution shall, for purposes of this Act and KRS Chapter 141, be considered a distribution which is not a dividend, but the earnings and profits of the corporation shall not be reduced by reason of any such distribution.

(2) For purposes of this section, a shareholder's net share of the undistributed taxable income of an electing small business corporation is an amount equal to ––

(a) the sum of the amounts included in the gross income of the shareholder under Section 10 (2) of this Act for all prior taxable years, excluding any taxable year to which the provisions of Sections 13, and 14 and this section of this Act do not apply and all taxable years preceding such year, reduced by

(b) the sum of ––

(i) the amounts allowable under Section 11 (2) of this Act as a deduction from gross income of the shareholder for all prior taxable years, excluding any taxable year to which the provisions of Section 13, and 14 and this section of this Act do not apply and all taxable years preceding such year, and

(ii) all amounts previously distributed during the taxable year and all prior taxable years, excluding any taxable year to which the provisions of Section 13 and 14, and this section of this Act do not apply and all taxable years preceding such year, to the shareholder which under subsection (1) of this section were considered distributions which were not dividends.

Section 16. (1) The basis of a shareholder's stock in an electing small business corporation shall be increased by the amount required to be included in the gross income of the shareholder under Section 10 (2) of this Act, but only to the extent to which the amount is included in his gross income in his return, increased or decreased by any adjustment of the amount in any redetermination of the shareholder's tax liability.

(2) (a) The basis of a shareholder's stock in an electing small business corporation shall be reduced, but not below zero, by an amount equal to the amount of his portion of the corporation's operating loss for any taxable year attributable to such stock as determined under Section 12 of this Act.

(b) The basis of any indebtedness of an electing small business corporation to a shareholder of the corporation shall be reduced, but not below zero, by an amount equal to the amount of the shareholder's portion of the corporation's operating loss for any taxable year, as determined under Section 12 of this Act, but only to the extent that such amount exceeds the adjusted basis of the stock of the corporation held by the shareholder.

Section 17. (1) The accumulated earnings and profits of an electing small business corporation as of the close of its taxable year shall be reduced to the extent that its undistributed taxable income for such year is required to be included in the gross income of the shareholders of the corporation under Section 10 (2) of this Act.

(2) The earnings and profits of an electing small business corporation for any taxable year, but not its accumulated earnings and profits, shall not be reduced by any amount which is not allowable as a deduction in computing its taxable income as provided in Section 10 (4) for such taxable year.

(3) The earnings and profits and the accumulated earnings and profits of an electing small business corporation shall not be affected by any item of gross income or any deduction taken into account in determining the amount of any operating loss, computed as provided in Section 11 (3) of this Act, of the corporation.

(4) For the purpose of this section, "earnings and profits" and "accumulated earnings and profits" mean earnings and profits and accumulated earnings and profits derived from business done, property located, activities or sources in this state.

Section 18. Every electing small business corporation shall file an annual return, showing the amount of undistributed taxable income for such year and the persons to whom attributable.

Committee on Agriculture and State Fair reported **SB 56** with the expression of opinion that same should pass with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 56, AN ACT relating to stockyards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No stockyard shall conduct or allow an auction sale to proceed later than 11 p.m., Central Standard Time.

Section 2. Any stockyard operator who violates or permits a violation of Section 1 of this Act shall be fined not less than one hundred dollars nor more than five hundred dollars.

Amend printed copy of **SB 56** on page 1, section 1, line 1, by striking all of section 1, substituting therefor, section 1: "All stockyards in Kentucky must begin auction sales at 11:00 A. M. on their respective sales days during the months of June, July, August and September."

Committee on Agriculture and State Fair reported **HB 169** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 169, AN ACT relating to milk and cream.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) "Buyer" shall include any person, partnership, corporation, association, organization or concern who receives milk or cream from producers and pays for it on basis of amount, weight, or test, except that it does not include persons who buy milk or cream for their own consumption;

(2) "Buy", "Buying", or "Bought" shall mean the purchase of milk or cream from producers or their agents on basis of amount, weight or test;

(3) "Milk Tester" shall include any person who tests milk or cream, bought by buyers from producers, to determine the constituents or quality of such milk or cream and uses, or submit for use, these tests in determining the price paid for it;

(4) "Sampler and Weigher" shall include any person who samples, weighs, or measures milk or cream purchased by buyers from producers;

(5) "License to Buy" means the license issued to buyers of milk or cream purchased from producers or their agents on basis of its volume, weight or test;

(6) "License to Test" means the license issued to milk and cream testers;

(7) "License to Sample and Weigh" means the license issued to samplers and weighers;

(8) "Board" means the Examining Board;

(9) "Director" means the Director of the Agricultural Experiment Station, College of Agriculture and Home Economics, University of Kentucky;

(10) "Producer" means any person, partnership, corporation, association, organization, or concern keeping milk cows for production of milk for sale or separation for the sale of cream;

(11) "Buying Location" means each separate business place where non-packaged milk or cream is purchased, such as cream buying station, milk receiving station, milk plant, creamery, cheese factory, condensery, or ice cream factory;

(12) "Stamped Testware" means test bottles, test weights, and other test equipment inspected and stamped with an indelible and distinguishing mark by the Experiment Station;

(13) "Standard Testware" means test bottles, test weights, pipettes and other measuring or calibrating devices approved by the Director for use in Kentucky;

(14) "Cream Station" means a place where cream is received, weighed, sampled, consolidated and shipped to a creamery or factory;

(15) "Milk Equivalent" means the amount of whole milk required to make other dairy products; thus, to convert butterfats to milk equivalent, multiply the pounds of butterfat by 25, for 4% milk.

Section 2. It shall be unlawful for any buyer of milk or cream in this state to:

(1) Buy milk or cream from producers or their agents without obtaining a license for each buying location where such milk or cream is received;

(2) Receive and pay for milk or cream on basis of weights or tests without having it sampled and weighed or measured by a licensed weigher and sampler or tested by a licensed tester;

(3) Manipulate weights, measurements or tests, that is, to pay for milk or cream on basis of any weight or measurement or test that is not the true and legal weight or test;

(4) Manipulate or falsify records or to use records of weights or tests as basis for payment that are not correct and legal weights, measurements or tests;

(5) Receive milk or cream purchased from producers by a cream station operator or milk receiving station that does not have a license to buy;

(6) Use weighing, mixing, sampling, or testing equipment which is inaccurate or non-standard;

(7) Fail to comply with such regulations for weighing, measuring, sampling and testing milk or cream as may be issued by the Director.

Section 3. Except as provided in subsection (4) of this section, it shall be unlawful for any milk sampler or weigher in this state to:

(1) Sample, weigh, or measure milk or cream without obtaining a license to sample and weigh;

(2) Inaccurately sample, weigh, or measure milk or cream;

(3) Fail to comply with such regulations for the sampling, weighing or measuring of milk or cream as may be issued by the Director;

(4) Provided, however, that any milk tester who holds a license to test or temporary permit to test may sample, weigh and measure milk or cream according to the provisions of this Act without obtaining a license to sample and weigh.

Section 4. It shall be unlawful for any milk tester in this state to:

(1) Weigh, measure, sample or test milk or cream bought from

producers on basis of such measures, weights or tests without obtaining a license or permit to test;

(2) Inaccurately weigh, measure, sample, or test milk or cream;

(3) Use inaccurate unstamped or non-standard equipment in weighing, measuring, sampling or testing, of milk or cream.

Section 5. Every creamery, milk shipping station, milk factory, cheese factory, condensery, ice cream factory or other milk processing or manufacturing plant or person, or agent, firm, company, association or corporation buying milk or cream from producers or their agents shall secure and hold a license to buy for each buying location where such milk and cream is received. Application for a license shall be made to the Director, the application to be accompanied by the license fee provided for in Section 9 of this Act. Upon receipt of the application and fee, the Director shall issue to the buyer a license to buy milk or cream provided the buyer is in compliance with the provisions of this Act and the regulations relating to the sampling, weighing, testing or buying of milk or cream as may be issued by the Director; the license to expire on June 30 of the license year for which it is issued.

Section 6. (1) Except as provided in subsection (2) of this section, all persons who test milk or cream bought by buyers from producers shall secure and hold a license to test.

(2) Any person who tests milk or cream bought by buyers from producers not holding a current license to test shall demonstrate his proficiency in testing by satisfactorily passing an examination prescribed by the Director. Prior to taking an examination for a license, he may apply for and secure a temporary permit under one of the following conditions:

(a) Submit evidence of having successfully completed a recognized course in dairying;

(b) Has held a valid testers license in another state;

(c) Has worked with a licensed tester at least two weeks and has a certification from this licensed tester that he is qualified to test;

(d) Has a certificate signed by a field representative of a cream company stating that the applicant is a cream station operator and has been properly instructed in testing procedures and is competent in performing milk or cream tests.

(3) Application for a license or temporary permit to test shall be on a form prescribed by the Director and accompanied by the license fee or permit fee provided for in Section 9 of the Act.

Section 7. (1) All persons who weigh, measure or sample milk or cream bought by buyers from producers shall secure and hold a license to sample and weigh; provided, however, that licensed testers may sample, measure, and weigh under the authority of their license to test. Application for such license shall be made on a form prescribed by the Director and accompanied by the license fee provided for in Section 9 of this Act. Upon receipt of the application and fee, the Director shall issue to the sampler and weigher a permit to sample and weigh, then after investigations show him qualified, a license to sample and weigh milk and cream, provided that the sampler and weigher is in compliance with the provisions of this Act and such regulations relating to weighing, measuring, and sampling of milk and cream as may be issued by the Director; the license to expire on June 30 of the license year for which it is issued.

(2) All persons who transfer milk from farm bulk tanks to bulk tank trucks for transporting to a buying location shall secure and hold a license to sample and weigh.

Section 8. Test equipment including test bottles, pipettes, weights, scales and other measuring or calibrating devices used in testing milk and cream under the provisions of this Act which are calibrated or adjusted so as to determine the results or accuracy of results of such test shall be inspected by the Experiment Station. Equipment found accurate shall be stamped, sealed or permanently marked so as to be distinguishable. The charge for initial inspection of test equipment shall be as prescribed by the Director but not to exceed three cents per piece. Equipment to be stamped for use in Kentucky shall be limited to those items listed and described on an approved list published periodically by the Director.

Section 9. The license fees to be paid for respective licenses provided for in Section 5, 6 and 7 of this Act shall be as follows:

(1) Buyers;

(a) For cream stations—$6.00 per year for each license; provided, however, that those places beginning operation after July 1 shall pay 50¢ per month or fraction thereof for the months remaining in the license year ending June 30;

(b) For each creamery, milk shipping station, milk factory, cheese factory, condensery, milk processing plant, person, agent, firm, company, association or corporation an amount determined according to the following schedule:

1. $25.00 per license for those buying less than 1,000,000 lbs. of milk or milk equivalent during the past year;

2. $75.00 per license for those buying more than 1,000,000 lbs. of milk or milk equivalent but less than 10,000,000 lbs. during the past year;

3. $100.00 per license for those buying more than 10,000,000 lbs. of milk or milk equivalent during the past year;

4. $2.10 for each .month or fraction thereof remaining in the license year for the initial license of places which begin operation during the year.

(2) Testers: License to test or temporary permit to test—$3.00 per year.

(3) Samplers and weighers: $3.00 per year.

Section 10. (1) In order to secure sufficient funds to execute the provisions of this Act, and to insure accuracy in the weighing, sampling, testing, correctly calculating payments, and keeping of records of milk and cream purchased or received from producers or their agents every milk-shipping station, milk factory, cheese factory, condensery, ice cream factory or other milk processing or manufacturing plant, or person or agent, firm, company, association or corporation in Kentucky which purchases or receives milk or cream from producers or their agents during the month of May, 1961, and during the month of May of each and every year thereafter, shall pay to the Director of the University of Kentucky Agricultural Experiment Station, for such fluid milk, or milk equivalent so delivered during the month of May, 1961, and the month of May of each and every year thereafter, a sum equal in amount to one cent per hundredweight for all milk or milk equivalent so purchased during such time. For the financing of the producers' share of this program the buyer, or his agent, shall charge one cent per hundredweight back to the producer association or cooperative and for those patrons who do not belong to producer associations or cooperatives, the buyer, association, or their agents shall make this charge directly to the individual producer. Butterfat purchased by such parties from such producers other than in the form of fluid milk shall be converted for the purpose of such deduction, into milk equivalent by multiplying the pounds of butterfat by 25.

(2) Payments for the month of May, 1961 and for the months of May of each and every year thereafter, shall be made to the Director of the University of Kentucky Agricultural Experiment Station, not later than the fifteenth day of June, 1961, and the fifteenth day of June of each and every year thereafter.

(3) The meaning and intent of this section of this Act is that all milk and cream regularly sold by producers, irregardless of their residence, to licensed buyers in Kentucky shall be accounted for and the one cent per hundredweight paid to the Experiment Station. Unless a satisfactory substitute arrangement is made the deduction, assembly, accounting and payment shall be made by the concern that pays the producers. There is no intention to prevent transfer of relatively large quantities of milk from one buyer to another provided the records show how payments including the one cent per hundredweight referred to herein are handled and paid. In this connection all persons, firms, corporations, associations, or the agents for same, responsible under the terms and meaning of this Act, to collect, assemble, and make payments to the Experiment Station, are also required to submit certified reports with monies paid, on forms

prescribed by the Experiment Station, covering the milk and butterfat in cream converted to milk equivalent.

Section 11. The Director is charged with the enforcement of this Act and may, subject to recommendation of the Board, employ all proper means to aid and assist in the enforcement of its provisions, including the revocation or suspension of a license as provided in Section 12 of this Act. The Director may delegate the administration of his responsibility, and may employ such personnel as may be necessary to assist him in the enforcement of the Act. Personnel engaged in the enforcement of this Act and duly authorized by the Director may inspect testing equipment and scales, take samples, make tests and retests, and may examine records of weights, tests and payments and fees required in Section 10, of milk and cream at licensed places. Subject to recommendations of the Board, the Director shall promulgate reasonable regulations necessary to supplement this Act relating to the buying of milk and cream, the inspecting and stamping of glassware, testware and test weights used in testing milk and cream to assure accuracy, the definition of standard testware, and the levying of an inspection and stamping charge for each item of glassware, testware, and test weights inspected and stamped, and may make other regulations reasonably calculated to promote the purposes of this Act.

Section 12. The Director may revoke or suspend any license issued under authority of this Act; provided, however, that such revocation or suspension shall occur only when the licensee has failed to comply with the provisions of this Act or the rules and regulations issued thereunder, and provided that such revocation or suspension shall occur only upon written recommendation to the Director by the Examining Board and after the licensee has had an opportunity, upon due notice, at a hearing before the Board, to show cause why his license should not be revoked or suspended.

Section 13. Upon the revocation of any license, the licensee may within sixty days appeal the revocation order of the Direcor by filing suit in the Franklin Circuit Court.

Section 14. The responsibility for advising the Director concerning enforcement of this Act, for reporting violations, for conducting investigations and hearings pursuant to recommending revocation or suspension of a license, and for recommending rules and regulations to be issued by the Director, is vested in an Examining Board. The Board shall be composed of the Head of the Dairy Dept., College of Agriculture and Home Economics, University of Kentucky, who shall be Chairman, and three members appointed by the Director. Two of the three appointed members shall be appointed from a list of four persons nominated by the Dairy Committee of the Kentucky Farm Bureau Federation and the third appointed members shall be appointed from a list of two persons nominated by the Executive Committee of the Dairy Products Association of Kentucky. The appointed members shall serve for a term of three years and until their successors are appointed and qualify; except that the first appointments made under this Act shall be for terms of one, two, and three years respectively as the Director shall designate. The Board shall meet at such a time and place as the Chairman shall designate. Three members present at any meeting shall constitute a quorum, and upon the written request of any two members, the Chairman shall call a meeting at the time and place requested. Board members not already employed by the State shall be compensated at the rate of 15.00 per day for Board service and all members shall be reimbursed for any actual expense incurred in performing Board duties.

Section 15. All moneys resulting from the payment of license fees, inspection and stamping charges, or other charges provided for in this Act shall be paid to the Director and shall constitute a special and separate fund which shall not lapse and which shall be expended by the Director under authority of the Board of Trustees of the University of Kentucky on proper and separate vouchers. This fund shall be used primarily for discharging expenses incurred in enforcing this Act and any portion of the fund not necessary to this purpose shall be used to support research pertaining to methods and equipment for sampling and testing dairy products or such other dairy research work as the Director may recommend.

Section 16. (1) Any tester or sampler and weigher violating, or failing, or refusing to comply with Section 2 or 5 of this Act, shall upon conviction, be fined $100 for the first offense and not less than $100 nor more than $1,000 for each subsequent offense.

(2) Any creamery, milk shipping station, milk factory, cheese factory, condensery, ice cream factory, or other milk processing or manufacturing plant or person, or agent, firm, company, association or corporation violating, or failing, or refusing to comply with Sections 3, 4, 6, 7 and 10 of this Act shall be guilty of a misdemeanor and upon conviction, shall be fined no more than $1,000, or imprisoned for no more than one year, or both.

Section 17. Sections 260.400, 260.410, 260.420, 260.430, 260.440, 260.450, 260.460, 260.470, 260.480, 260.490, 260.500, 260.510, 260.520, 260.530, 260.990 (6) and 260.990 (7) of the Kentucky Revised Statutes are hereby repealed.

Committee on Judiciary and Judicial Council reported **HB 88, SB 146** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 88, AN ACT relating to the terms of court in the forty-sixth judicial district.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The preamble and subsection (46) of Section 23.050 of the Kentucky Revised Statutes are amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

(46) Forty-sixth District. Grayson County, at Leitchfield, on the first Monday in January, the first Monday in April, and the fourth Monday in August, twenty-four juridical days each.

Meade County, at Brandenburg, on the first Monday in February, the first Monday in May, and the first Monday in October, twenty-four juridical days each.

Breckinridge County, at Hardinsburg, on the first Monday in March, the first Monday in June, and the first Monday in November, twenty-four juridical days each.

SB 146, AN ACT relating to terms of circuit courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 23.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) A term of court in any district may be extended if the business requires, but not so as to interfere with any other term in the district. Whenever it is necessary to transact the business, a special term may be held in any county, either by an order entered of record at the last preceding regular term in the county or by notice signed by the judge and posted at the courthouse door of the county for ten days before the special term is held. The order or notice shall specify the day when the special term is to commence, and shall give the style of each case to be tried, or in which any motion, order or judgment is to be made or entered at the special term, and no other case shall be tried, or motion, order or judgment entered therein, unless by agreement of the parties, but if all the cases on the docket are to be before the court at the special term, a statement to that effect is sufficient without copying the entire docket in the order or notice.

(2) Whenever, in the opinion of the regular judge, there is such a congestion of the civil or criminal docket in the court that it cannot be disposed of by the court at its regular terms, or at a special term called and held under subsection (1) of this section, the judge may, by order entered of record at a regular term of the court, call a special term of court to be held while a court is, or may be, in session in the same or some other county in the district. Every order calling such special term shall specify the day when the special term shall

commence and the time it shall continue and shall give the style of each case to be tried, or in which any motion, order or judgment may be made or entered at the special term, and no other case shall be tried, motion made, or order or judgment entered therein in any case, even by agreement of the parties, except upon direction of the Chief Justice as provided by KRS 23.120, but if all the cases on the docket are to be before the court at such special term, a statement to that effect is sufficient without copying the entire docket in the order.

(3) Whenever, in the opinion of the regular judge, he shall deem it more efficient and expeditous to the conduct of the business of the court, the regular judge may, by an order entered during the regular term, extend the said term of court to conclude at any time to and including the date for the convention of the next regular term of court in that county, even though terms of court may be in session in another county or counties of the same district, either in regular term or as extended under this section, but in the assignment of cases, preference shall be given to the court which is in regular term. During this term, or as extended, all matters on the civil and criminal dockets shall be before the court, and the grand and petit juries selected for the regular term may be recessed and reconvened at any time during the term, or the extension of the term. The said order providing for the said extension may provide that all terms occurring after the order, and until such time as the order is revoked, shall be so extended, and a copy of the order shall be furnished by the clerk of the court to the Department of Finance, the clerk of the Court of Appeals, and to the administrative director of the Court of Appeals. Nothing in this section shall be construed as requiring any judge to so extend the regular terms of court in the district, but as permissive and enabling.

Committee on Banks and Banking reported **SB 188,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 188, AN ACT relating to the lending of money, amending Sections 360.020 and 289.185 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 360.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Loans and advances of credit for the purchase or financing or refinancing of manufacturing or industrial or commercial real estate or the improvement or construction of facilities thereon, or for the purchase or financing or refinancing of residential real estate or the improvement or construction of homes or other places of residence thereon, which are secured in whole or in part by a

mortgage of real estate or leasehold may be made by written contract at a rate of interest which shall not exceed six and three-fourths per cent per annum. All other contracts and assurances for the loan or forbearance of more than three hundred dollars in money or other thing of value at more than the legal rate of interest, are void as to the excess over legal interest. The principal, with legal interest as aforesaid, may be recovered on any such contract or assurance, but not the excess of interest, and such excess of interest, if already paid, may be recovered from the lender or forbearer, even though payment was made to an assignee; but if the lender or forbearer refuses, before suit is brought, a tender of the principal with legal interest, he shall pay the cost of any suit brought on the contract or assurance. A court having jurisdiction may grant equitable relief for any such excess of interest, and to that end may compel the necessary discovery from the lender or forbearer.

(2) Partial payment on a debt bearing interest shall be first applied to the interest then due.

(3) Nothing contained in this section shall apply to loans made under or referred to in Chapters 226 or 228, or under or referred to in Sections 287.215 or 386.030, of the Kentucky Revised Statutes.

Section 2. Section 289.185 of the Kentucky Revised Statutes is amended to read as follows:

Building and loan associations may make loans at variable rates of interest, not to exceed the rate provided by sub-section (1) of Section 1 of this Act. The by-laws of the associations shall classify the loans to which the respective interest rates shall apply.

Committee on Judiciary and Judicial Council reported **SB 200, SB 179, HB 183, HB 146, SB 183, HB 171, SB 185** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 200, AN ACT relating to Judicial Districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (25) and the preamble of Section 23.050 of the Kentucky Revised Statutes are amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

Twenty-fifth District. Clark County at Winchester, on the first Monday in April, twenty-four juridical days, on the second Monday in September and the fourth Monday in November, eighteen juridical days each.

Jessamine County at Nicholasville, on the third Monday in March, second Monday in June and second Monday in November, twelve juridical days each.

Madison County at Richmond, on the third Monday in February, the first Monday in May and the first Monday in October, twenty-four juridical days each.

SB 179, AN ACT relating to oil and gas leases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any lease of oil or natural gas rights or any other conveyance of any kind separating such rights from the freehold estate of land shall expire at the end of ten years from the date executed, unless, at the end of such ten years, natural gas or oil is being produced from said land for commercial purposes. If, at any time after said ten years' period, commercial production of oil or natural gas shall be terminated for a period of six months, all such rights shall revert to the owner of the estate out of which said leasehold estate was carved. No assignment or agreement to waive the provisions of this section shall be valid or enforceable.

HB 183, AN ACT relating to the terms of court in the forty-fifth judicial district.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The preamble and subsection (45) of Section 23.050 of the Kentucky Revised Statutes is amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

(45) Forty-fifth District.

McLean County, at Calhoun, on the second Monday in February, the second Monday in June, and the second Monday in October, eighteen juridical days each.

Muhlenberg County, at Greenville, on the second Monday in March, the third Monday in May, the second Monday in September, and the second Monday in November, eighteen juridical days each.

HB 146, AN ACT relating to juveniles who are accused of crime.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 208.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) If, during the course of any proceeding in the juvenile court, it appears that a child before the court has committed a felony, and

at the time of commission of the offense the child was sixteen years of age or older, or was less than sixteen years of age but the offense was murder, rape, kidnapping, armed robbery, or malicious shooting with or without wounding with intent to kill, and the court is of the opinion that the best interests of the child and of the public require that the child be tried and disposed of under the regular law governing crimes, the court in its discretion may make an order transferring the case to the circuit court of the county in which the offense was committed. No child shall be considered a felon for any purpose until transferred to, tried and convicted of a felony by a circuit court.

SB 183, AN ACT to amend the Uniform Principal and Income Act by adding thereto a section concerning probate income received by an executor and delivered by him to the trustee of a testamentary trust or to another legatee.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section is hereby created in Chapter 386 of the Kentucky Revised Statutes to read as follows:

(1) This section applies only to executors and trustees acting under wills of testators who die after the effective date of this Act and whose wills are admitted to probate in this state, but does not apply if a contrary provision has been made by the testator, or by the executor or a trustee under the will pursuant to a power given him by the testator. "Executor" includes an administrator with the will annexed.

(2) The executor shall determine net probate income as follows:

(a) He shall ascertain the amount of property received by him which is the product of the property which passed to him by the will or by the execution of a power of appointment, or of any substitute for such property obtained by the executor by purchase, exchange, or otherwise.

(b) He shall include in the amount so ascertained the product of property used by the executor to discharge liabilities of the testator, or of the executor in his representative capacity, including legacies payable in money and interest thereon, or of any donee under the will.

(c) He shall determine how much of the amount so ascertained is classed as income under the other sections of the Uniform Principal and Income Act.

(d) From the amount so determined he shall deduct any income taxes paid thereon by the executor except taxes on capital gains, and that share of the expenses of administration which is properly payable out of probate income. The amount remaining after the deduction is the net probate income.

(3) The executor at the time of distribution

(a) shall pay over to the trustee of any trust or other legatee to whom specific property other than money is bequeathed the net probate income of such property; and

(b) shall pay over all other net probate income to

i. the trustee of any trust created out of the residue, and

ii. any legatee for life or years of any portion of the residue, and

iii. any legatee of an absolute interest in any portion of the residue, and

iv. any trustee of a sum of money under a trust created by the will but not payable out of the residue in pro rata shares, in accordance with the respective values of the property bequeathed or given in trust at the death of the testator as determined by the executor.

If the executor makes a partial distribution to any legatee or trustee under subsection (3) (b) above, the partial distributee shall share in the net probate income collected to that date but his share in the net probate income later collected by the executor shall be reduced accordingly.

(4) The amount of any net probate income distributed by the executor to each trustee or other distributee shall be stated in any order of distribution.

(5) A testamentary trustee who receives net probate income from an executor shall treat it as income of the trust for which he is acting.

HB 171, AN ACT relating to terms of circuit courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The preamble of Section 23.050 of the Kentucky Revised Statutes is amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed; provided, that if any term commences on a legal holiday the court may open the term on the succeeding day.

SB 185, AN ACT relating to the selection of jurors for police courts in counties containing cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 26.405 of the Kentucky Revised Statutes is amended to read as follows:

(1) In any county containing a city of the second class, the

judge of the police court shall each year select a list of not less than 300 qualified citizens and residents from the tax records of the city for service as police court jurors.

(2) The judge shall place the name and address of each person so selected on a small slip of paper, each slip being as near the same size and appearance as practicable. Each slip shall then be deposited in a revolving drum. The drum shall be emptied once each year prior to the depositing of slips selected from the new list. The drum shall be kept locked and the key to said drum shall be kept by the clerk of the police court.

(3) Whenever a jury is needed for jury service in police court, the judge shall select 12 names from the drum for service on the jury and said persons shall be summoned by a police officer of the city.

(4) In the event that the jury panel is exhausted prior to the expiration of the time when the judge must draw a new list, then the judge may compel any police officer of the city to summon jurors whose names he may obtain from the tax rolls of the city.

Committee on Appropriations reported **HB 97** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 97, AN ACT relating to members of boards of education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.280 of the Kentucky Revised Statutes is amended to read as follows:

Members of boards of education shall receive no salaries, but members of county boards of education may receive a per diem of twenty dollars and their actual expenses for each regular or special meeting attended, and may be reimbursed for other actual and necessary expenditures incurred in the district in the performance of their duties authorized by the board. In no case shall the expense and per diem of any member exceed two hundred dollars per annum. All claims shall be made out according to law and filed with the secretary of the board and shall be approved and paid as other claims against the board.

Committee on Judiciary and Judicial Council reported **SB 180** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 180, AN ACT repealing section 381.220 of the Kentucky Revised Statutes and substituting the common law rule against perpetuities with certain modifications.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No interest in real or personal property shall be good unless it must vest, if at all, not later than twenty-one years after some life in being at the creation of the interest. It is the purpose of this section to enact the common law rule against perpetuities, except as hereinafter modified by this Act.

Section 2. In determining whether an interest would violate the rule against perpetuities the period of perpetuities shall be measured by actual rather than possible events; provided, however, the period shall not be measured by any lives whose continuance does not have a casual relationship to the vesting or failure of the interest. Any interest which would violate said rule as thus modified shall be reformed, within the limits of that rule, to approximate most closely the intention of the creator of the interest.

Section 3. A trust created by an employer as part of a stock bonus plan, pension plan, disability or death benefit plan or profit-sharing plan, for the exclusive benefit of some or all of his employes, to which contributions are made by such employer and employes, or both, for the purposes of distributing to such employes the earnings or the principal, or both earnings and principal, of the fund so held in trust, shall not be deemed to be invalid as violating the rule against perpetuities, but such a trust may continue for such time as may be necessary to accomplish the purposes for which it may be created.

Section 4. The estate known at common law as the fee simple determinable and the interest known as the possibility of reverter are abolished. Words which at common law would create a fee simple determinable shall be construed to create a fee simple subject to a right of entry for condition broken. In any case where a person would have a possibility of reverter at common law, he shall have a right of entry.

Section 5. A fee simple subject to a right of entry for condition broken shall become a fee simple absolute if the specified contingency does not occur within thirty years from the effective date of the instrument creating such fee simple subject to a right of entry. If such contingency occurs within said thirty years the right of entry, which may be created in a person other than the person creating the interest or his heirs, shall become exercisable notwithstanding the rule against perpetuities. This section shall not apply to rights of entry created prior to July 1, 1960.

Section 6. (1) Every possibility of reverter and right of entry created prior to July 1, 1960, shall cease to be valid or enforceable at the expiration of thirty years after the effective date of the instrument creating it, unless before July 1, 1965, a declaration of intention to preserve it is filed for record with the county clerk of the county in which the real property is located.

(2) The declaration shall be entitled "Declaration of Intention to Preserve Restrictions on the Use of Land," and shall set forth:

(a) the name of the record owner or owners of the fee in the land against whom the possibility of reverter or right of entry is intended to be preserved;

(b) the names and addresses of the persons intending to preserve the possibility of reverter or right of entry;

(c) a description of the land;

(d) The terms of the restriction;

(e) a reference to the instrument creating the possibility of reverter or right of entry and to the place where such instrument is recorded. The declaration shall be signed by each person named therein as intending to preserve the possibility of reverter or right of entry and shall be acknowledged or proved in the manner required to entitle a conveyance of real property to be recorded. The county clerk shall record the declaration in the record of deeds and shall index it in the general index of deeds in the same manner as if the record owner or owners of the land were the grantor or grantors and the persons intending to preserve the possibility of reverter or right of entry were the grantees in a deed of conveyance. For indexing and recording the clerk shall receive the same fees as are allowed for indexing and recording deeds.

Section 7. Sections 5 and 6 of this Act shall not apply to any possibility of reverter or right of entry contained in a deed, gift or grant from the Commonwealth or any political subdivision thereof; nor shall they apply where both the fee simple determinable and the succeeding interest, or both the fee simple subject to a right of entry and the right of entry, are for public, charitable or religious purposes; nor shall they affect any lease present or future or any easement, right of way, mortgage or trust, or any communication, transmission, or transportation lines, or any public highway, right to take minerals, or charge for support during the life of a person or persons, or any restrictive covenant without right of entry or reverter.

Section 8. Section 381.220 of the Kentucky Revised Statutes is repealed.

Section 9. Except as provided in Section 6, this Act shall apply only to inter vivos instruments and wills taking effect after July 1, 1960, and to appointments made after July 1, 1960, including appointments by inter vivos instrument or will under powers created before July 1, 1960.

Committee on Appropriations reported **HB 42** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 42, AN ACT relating to the Teachers' Retirement System, and declaring an emergency, and to be known as the Lowman-Rayburn-Ray-Fitzpatrick Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.220, subsections (10) & (11), are amended to read as follows:

(10) "Annual salary" means the average annual salary which the member has received for his service as a teacher in the public schools of Kentucky for five years or for as many years if less than five, prior to July 1, 1941, except that any salary which exceeds two thousand dollars shall be considered two thousand dollars; and during the five years or for as many years if less than five years, immediately preceding the following dates herein, except that any salary which exceeds two thousand dollars in any year prior to July 1, 1946, shall be considered two thousand dollars and any salary for any year subsequent to July 1, 1946, and prior to July 1, 1955, which exceeds two thousand four hundred dollars shall be considered two thousand four hundred dollars and any salary subsequent to July 1, 1955, shall be the actual arithmetic average salary for any five consecutive years which will provide the highest average.

(11) "Annual compensation" after July 1, 1955, means the contractual salary and additions thereto received by a member as compensation for his services as a teacher in the public schools of Kentucky during a given fiscal year before any deduction.

Section 2. KRS 161.260 is amended to read as follows:

An election shall be held on or before June 1 of each year to elect one member of the board of trustees. The member to be elected each year shall depend upon the respective terms of the members elected under 1938, 1st ex.s., c. 1, paragraph 7, and 1940, c. 192, paragraph 7a. Each member shall assume office on July 1 following his election and shall serve for a term of four years. The elections shall be conducted by ballot under the supervision of the Superintendent of Public Instruction. Each teacher who is a contributing member of the Retirement System shall have the right to vote. Nomination for membership on the board of trustees shall be made by a nominating committee consisting of one delegate from the membership of each of the districts of the Kentucky Education Association. No person may be a member of the nominating committee who is not a member of the system. The President of the Kentucky Education Association shall preside over the meeting of the nominating committee and the Secretary of the Teachers' Retirement System shall act as secretary to the committee. Two persons shall be nominated by the nominating committee. All expenses of the election shall be paid by the board of trustees out of its general expense fund.

Section 3. KRS 161.290 is amended to read as follows:

The members of the board of trustees shall serve without compensation except that elective members shall receive twenty-five dollars for each day the board is in session and all board members shall be reimbursed from the expense fund for all necessary expenses they incur through service on the Board. Suitable office quarters for the operations of the Retirement System shall be provided by the state at the capitol.

Section 4. KRS 161.340 is amended to read as follows:

The board of trustees shall elect from its membership a chairman and shall by a majority vote of all its members appoint a secretary who is not a member of the board. The secretary shall at the time of appointment be at least thirty-five years of age, a graduate of a standard four-year college, have had at least ten years experience as a teacher and be eligible for membership in the Retirement System. He shall be paid an adequate salary in accordance with established personnel classifications.

He shall not have held by appointment or election an elective office within the five-year period next preceding the date of appointment. The board shall engage such actuarial, legal, medical and other technical services and such clerical and other services as are required to transact the business of the Retirement System. The compensation of all persons engaged by the board and all other expenses of the board necessary for the operation of the Retirement System shall be paid at such rates and in such amounts as the board approves.

Section 5. KRS 161.400 is amended to read as follows:

The board of trustees shall designate as actuary a competent person who shall be a member of the Conference of Actuaries in Public Practice or the Society of Actuaries. He shall be the technical adviser of the board on matters regarding the operation of the funds of the system and shall perform such other duties as are required in connection therewith. At least once in each five-year period after the first year of operation of the system the actuary shall make an actuarial investigation into the mortality, earnable interest and service and compensation of the members and beneficiaries of the Retirement System, make a valuation of the assets and liabilities of the funds of the system and recommend to the board of trustees such changes as may be deemed necessary to keep the Retirement System on a sound financial basis. On the basis of the results of such investigations the board of trustees shall make necessary changes in the Retirement System within the provisions of law and shall recommend the contributions payable by the state within the limits specified in KRS 161.550.

Section 6. KRS 161.410 is amended to read as follows:

The board of trustees shall designate a Medical Review Board consisting of three licensed physicians. The Medical Review Board may designate physicians in various areas of the Commonwealth to conduct examinations as needed. The Medical Review Board shall pass upon all applications for disability retirement and upon all statements, certifications, and examinations submitted in connection with such applications. The disposition of each case shall be recommended by the board in writing to the board of trustees.

Members of the Medical Review Board shall follow such rules and regulations regarding procedures as the board of trustees may enact and shall be paid reasonable fees and expenses as authorized by the board of trustees in compliance with the provisions of KRS Section 161.330.

The board of trustees may secure such additional medical service and information as it deems necessary.

Section 7. KRS 161.430 is amended to read as follows:

(1) The board of trustees shall be the trustee of the funds of the Retirement System, and shall have full power and responsibility for the investment and disbursement of the funds. No investment shall be made of the funds except in the following:

(a) Bonds, notes or other obligations of or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof.

(b) Obligations of the Commonwealth of Kentucky and obligations of its departments and agencies, including revenue bonds.

(c) Obligations of any city of the first, second, third, fourth, or fifth classes of the Commonwealth of Kentucky, or county containing such city, for the payment of principal and interest on which the full faith and credit of the issuing body is pledged.

(d) School improvement bonds issued in accordance with authority granted under KRS 162.080 to and including KRS 162.100.

(e) School building revenue bonds issued in accordance with authority granted under KRS 162.120 to and including KRS 162.300, and any act or acts passed in the 1960 session of the General Assembly providing for the issuance of school building revenue bonds, provided the issuance of such bonds is approved by the State Board of Education.

(f) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to and including KRS 162.380.

(g) Public utility revenue bonds issued by any city of the first, second, third, fourth or fifth classes, or by a county containing such a city, or by a special taxing district located within such city or county in the Commonwealth, provided: (1) the net income from such public utility property available for the payment of such securities, for the five fiscal years next preceding any such investment, shall have averaged at least 1 1/10 times all debt service requirements for principal, interest and sinking fund of all revenue securities payable only out of the revenues from such property during each of such fiscal years, and (2) the issuer of the securities covenants and is obligated to maintain rates to produce revenues, or will receive contract payments, either or both of which will be sufficient to meet costs of operation, taxes and all debt service requirements and such obligation or contract is legally enforceable.

(h) Obligations consisting of notes, bonds, debentures, or equipment trust certificates issued under an indenture, which are the direct obligation or in the case of equipment trust certificates, are secured by direct obligation, of a corporation organized under the laws of the United States or any state in the United States or the District of Columbia, when such bonds are rated at time of purchase within the three highest classifications established by at least two major rating services.

(i) Deposits in banks or trust companies in the Commonwealth of Kentucky organized under the laws of this state, or of the United States, when such deposits are interest bearing at a rate not lower than two per cent per annum, and when such deposits are fully secured by direct obligations of the United States Government or of the Commonwealth of Kentucky, placed in the hands of the state treasurer and approved by the board of trustees.

(j) Stocks, preferred or common, issued or guaranteed by a corporation created or existing under laws of the United States or any state thereof, subject to the statutory restrictions governing investments by insurance companies incorporated in Kentucky.

(k) Mutual-type funds established and controlled by any organization which may be formed by the Kentucky Teachers' Retirement System and other state retirement systems of Kentucky and other southern states for the mutual investment of funds in Kentucky or the southern regional area.

(1) Productive real estate.

(2) (a) Not more than twenty-five per cent of any one issue may be purchased by the board of trustees as an investment; and not more than five per cent of the invested funds of the Retirement System may be invested in the obligations of any issuer except in the case of obligations of the United States Government; provided that not more than ten per cent of the invested funds may be invested in an issue of the Commonwealth of Kentucky or its departments or agencies as defined in this subsection. For the purpose of this subsection revenue bond obligations of the Commonwealth of Kentucky or its departments and agencies shall not be deemed to be obligations

of the same obligator if the revenues pledged are derived from separate projects. No investment may be made in the obligation of any issuer which has been in default of any of its bonds or interests during a period of the last ten years immediately preceding the purchase.

(b) No more than forty per cent of the assets of the Retirement System may be invested in any one of the foregoing classifications subsection (1)(a) or subsection (1)(h), provided, however, that this limitation shall not become operative until the existing percentage in such investments has been reduced to forty per cent or until January 1, 1965, whichever occurs earlier; no more than twenty per cent of said assets may be invested in the foregoing classification subsection (1)(b); no more than twenty-five per cent of said assets may be invested in any one of the foregoing classifications subsections (1)(c), (1)(d), (1)(e), (1)(f), and (1)(g); and no more than ten per cent of said assets (no more than two per cent of the aggregate cost or book value of the total assets of the Retirement System in any one fiscal year) may be invested in any one of the foregoing classifications subsections (1)(i), (1)(j), and (1)(k); no more than six per cent of said assets may be invested in the foregoing classification (1)(l).

(3) No investment or disbursement of funds shall be made unless authorized by resolution adopted by the board of trustees.

Section 8. KRS 161.470 is amended to read as follows:

(1) The membership of the Retirement System shall consist of all new teachers, and all present teachers except those who filed statements declining membership as provided in 1938, 1st ex.s., c. 1, paragraph 29, and did not withdraw the statements within the time allowed by that section. Persons entering service who hold membership in a retirement system financed in whole or part by Kentucky state funds may retain membership in that system instead of becoming members of the Teachers' Retirement System, provided the statutes governing said system make continued membership possible.

(2) Effective July 1, 1960, and thereafter, a member or former member of the Retirement System with at least three years of contributing service subsequent to the withdrawal of contributions and cancellation of service credit may regain such credit by depositing in the teachers' savings fund the amount withdrawn with interest at the rate of three per cent per annum compounded annually computed from the first of the month of withdrawal and including the month of redeposit and by depositing in the state accumulation fund an additional sum equal to fifty per cent of this amount. The payment to the state accumulation fund, including regular compound interest, shall, in the event of death of the member prior to retirement, be considered as accumulated contributions of the teacher.

(3) Effective July 1, 1960, any teacher who declined membership as provided in 1938, 1st ex.s., c. 1, paragraph 29, and who has since entered as a "new" teacher, may secure service credit for prior

service, and for any subsequent service prior to date of membership, by depositing in the teachers' savings fund contributions for each year of subsequent service prior to date of membership, with interest at the rate of three per cent compounded annually to the date of deposit. The teacher shall also deposit an additional sum equal to fifty per cent of this amount in the state accumulation fund. In the event of the death of the member prior to retirement, the payment to the state accumulation fund shall be considered as accumulated contributions of the member.

(4) Effective July 1, 1960, any teacher who declined membership as provided in 1938, 1st ex.s., c. 9, paragraph 29, may become a member and receive credit for prior and subsequent service by making proper contribution for the year 1940-41 and for each year thereafter, together with interest at the rate of three per cent per annum compounded annually. The teacher shall deposit an additional sum equal to fifty per cent of this amount in the state accumulation fund. In the event of the members' death prior to retirement, the contributions to the state accumulation fund shall be considered as accumulated contributions of the member.

(5) No person shall take advantage of the provision of (2), (3) and (4) above more than once.

Section 9. KRS 161.515 is amended to read as follows:

(1) (l) For the purposes of this section, "out-of-state service" shall mean service in any other state in a comparable position, which would be covered if in Kentucky.

(2) (a) After a teacher has been a member of the Retirement System for at least one full scholastic year, he may present for credit, service rendered out-of-state subsequent to July 1, 1941, not to exceed eight such years actually taught as a certified or licensed teacher, provided such member pays to the Retirement System the amount he would have paid had he been teaching in Kentucky and in addition thereto three per cent compound interest on each annual contribution from the last day of the scholastic year in which the service was rendered to date of payment to the Retirement System. For each year for which the Retirement System shall accept the contribution and interest, one year of subsequent service credit shall be given. Not more than eight years may be contributed for under this section.

(b) For each such year so paid for and for any additional years for which contributions have been paid currently, not to exceed eight years in all, any member of the Retirement System may offer bona fide out-of-state service for credit as prior service but not a greater number of years than the number for which contributions are paid, and in no case more than eight years of service prior to July 1, 1941. If out-of-state service was rendered in 1940-41, then contributions must be made for this year in the same manner as described under paragraph (a) of this section.

(c) All such service, both subsequent and prior, shall be certified to by the member and verified according to KRS 161.480 and 161.490. Appropriate form for this purpose shall be furnished by the board of trustees and used by the member making application. After additional out-of-state service credit has been granted under this section, the member receiving such service credit shall return his retirement certificate to the board of trustees and the secretary of the Retirement System shall enter thereon, with the approval of the board of trustees, the additional credit allowed any such member.

(3) Nothing in this section shall be construed to permit a member of the Kentucky Retirement System to leave the profession in Kentucky to teach in another state and during such service or upon return to teaching in the schools of Kentucky apply for the validation of such subsequent service under the provisions of this section.

(4) It is further provided that certificated teachers employed in, entering upon or transferring to service in the noneducational state institutions of Kentucky under the direction of the Department of Welfare as teachers or as supervisors of instruction may upon request to the board of trustees come into or continue in membership and pay their retirement contributions under such rules and regulations as said board of trustees may adopt not inconsistent with the Retirement Act for the payment of said contributions.

Section 10. KRS 161.540 is amended to read as follows:

Each member shall contribute to the Retirement System five per cent of his annual compensation. The contribution of a member shall not exceed this percentage on his current annual compensation.

Section 11. KRS 161.550 is amended to read as follows:

Beginning with July 1, 1960, the state shall contribute annually to the Retirement System a permanent amount equal to that contributed by all members. The state shall contribute annually an amount sufficient to discharge the prior service obligation with interest assumed by the state, over a period not greater than thirty years.

Section 12. KRS 161.600 is amended to read as follows:

Any member who has attained the age of sixty years and who has completed twenty years of service as a teacher in Kentucky, five of which are subsequent to July 1, 1941, with at least one year subsequent to July 1, 1959, may retire upon written application to the board of trustees of the Teachers' Retirement System. Any member who completes ten years of service subsequent to July 1, 1941, and who enters employment covered by another retirement system financed in whole or part with Kentucky state funds, may retain membership in the Teachers' Retirement System instead of joining the new system. Any member shall be automatically retired at the end of the fiscal year during which he attains the age of seventy years.

Section 13. KRS 161.620 is amended to read as follows:

(1) The retirement allowance of the member retiring for superannuation whose age of retirement is seventy years shall be one per cent of his average annual prior service salary for each year of prior service credit plus one and one-half per cent of his average annual compensation for each year of subsequent service between the years 1941 and July 1, 1955, plus a percentage in excess of one and one-half per cent, to be determined by the actuary of the system and approved by the board of trustees, said determined percentage to be taken of his annual subsequent service salary for the years after July 1, 1955. The retirement allowance of a member retiring for superannuation whose age at retirement is less than seventy years shall be reduced to that amount which the value of the retirement allowance computed as provided in this section at age seventy will purchase as of the actual age of retirement of the member, according to the actuarial tables in use by the system. Retirement allowance in final amount at age of retirement shall be determined by an actuarial factor equivalent to one at age seventy. Said factors shall be determined by the actuary of the Retirement System and approved by the board of trustees.

(2) For any member retiring on or after July 1, 1955, no retirement allowance shall be greater than one-half of the average annual compensation unless resulting from the minimum provided in KRS 161.625.

(3) Effective July 1, 1960, each teacher retired prior to that date who had reached age sixty as of July 1, 1960, and had service credit of twenty or more years, and all teachers retired for disability, shall receive a total annual allowance amounting to not less than forty dollars multiplied by the service credit years of the teacher.

Beginning July 1, 1960, all teachers retired thereafter who have reached the age of sixty at date of retirement, who have thirty or more years of service credit and are in active service at time of retirement, and all teachers retiring by reason of disability, shall receive an annual allowance of no less than forty dollars multiplied by the service credit years of the teacher, except that where application of this minimum will produce an allowance greater than one-half of average annual compensation as herein provided the allowance shall be reduced to one-half of the average annual compensation. It is further provided that any teacher who is forced into retirement due to reaching mandatory retirement age shall qualify for the minimum annuity herein provided if the teacher has twenty years of service credit plus one year of credit for each year elapsing between July 1, 1960, and date of retirement, or July 1, 1970, whichever is earlier.

(4) The minimum provided in this section shall apply in the case of teachers retired or retiring under an option in the same proportion to the benefits of the teacher and his beneficiary or beneficiaries.

Section 14. A new section of the Kentucky Revised Statutes is created to read as follows:

Teachers may not make contributions and receive service credit for substitute teaching or other irregular service except as provided in rules and regulations of the board of trustees. Teachers who are placed on leave of absence may not make contributions and receive service credit for such leave except as provided in rules and regulations adopted by the board of trustees.

Section 15. The provisions of Sections 3, 4, 5, 6, 8, 10, 11, 12 and 13 of this act shall not become effective until July 1, 1960.

Section 16. Whereas it is desirable and will be profitable to the System to obtain early authority for the investment of funds as provided for herein, an emergency is declared to exist, and this act shall be effective when passed by the General Assembly and approved by the Governor.

Committee on Criminal Law reported **HB 172** with the expression of opinion that same should pass, with Committee Amendment attached thereto. Read at length for the first time and ordered placed in the Calendar.

HB 172, AN ACT relating to the offense of petit larceny.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 433.230 of the Kentucky Revised Statutes is amended to read as follows:

Except where a different penalty is prescribed by law with respect to specific kinds of property, any person guilty of the larceny of money or other property of less value than twenty dollars shall be fined not less than ten dollars nor more than one hundred dollars, or imprisoned for not less than one month nor more than twelve months, or both so fined and imprisoned.

Committee Amendment to **HB 172** is as follows:

"Amend printed copy of **HB 172** on page 1, lines 6 and 7, after the word "than" by inserting $50.00, instead of ten dollars. Line 7 by inserting $500.00 instead of one hundred dollars."

Committee on Appropriations reported **SB 162** with the expression of opinion that same should pass, with Committee Amendment attached thereto.

Committee Amendment to **SB 162** is as follows:

"Amend printed copy of **SB 162** on page 1, lines 6 and 7, after deleting the word "shall" and inserting in lieu thereof the word "may".

Read at length for the first time and ordered placed in the Calendar.

SB 162, AN ACT relating to housing finance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The purpose of this Act is to promote adequate housing for the residents of the state by providing mortgage financing for people who wish to build homes. The means provided to accomplish this purpose is to provide a market for mortgages for lenders who are willing to lend money for home mortgages but who cannot afford to hold mortgages for a long period of time.

Section 2. As used in this Act, unless the context requires otherwise:

(1) "Agency" means the State Mortgage Agency;

(2) "FHA" means the Federal Housing Administration.

Section 3. (1) The State Mortgage Agency is established as an independent agency of state government. It is a body corporate and politic, with the usual attributes.

(2) The Governor shall appoint a person experienced in mortgage financing to direct the agency and shall fix his salary.

Section 4. The agency has the power to:

(1) Do whatever is needed to qualify itself as an FHA-approved mortgagee;

(2) Buy and hold FHA-insured mortgages from FHA-approved mortgagees;

(3) Issue bonds on the security of the mortgages it holds, and set the amounts, maturities, terms, and conditions of the bonds subject to the approval of the FHA;

(4) Employ necessary personnel;

(5) Adopt regulations necessary to implement its powers and carry out its duties;

(6) Contract with the original mortgagee for servicing of mortgages.

Section 5. The agency shall:

(1) Set the rate of its bonds as much below the rate of yield of the mortgages as is necessary to provide for operating expenses of the agency;

(2) Pay any incidental profit made from its operations into the state treasury;

(3) Service its mortgages only when the original mortgagee declines to do so;

(4) Reinvest principal payments in additional mortgages to maintain an investment portfolio sufficient to pay the interest on its bonded indebtedness and liquidate the principal when due.

Section 6. Section 161.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board of trustees shall be the trustee of the funds of the retirement system, and shall have full power and responsibility for the investment and disbursement of the funds. No investment shall be made of the funds except in the following:

(a) Obligations of the United States and obligations for which the faith of the United States is pledged for payment of the interest and principal;

(b) Obligations of the Commonwealth of Kentucky and obligations of its departments and independent agencies, including revenue bonds;

(c) Obligations of any city of the first, second, third and fourth classes of the Commonwealth of Kentucky which are payable from voted taxes;

(d) School improvement bonds issued in accordance with authority granted under KRS 162.080 to and including KRS 162.100;

(e) School building revenue bonds issued in accordance with authority granted under KRS 162.120 to and including KRS 162.300, provided the issuance of such bonds is approved by the State Board of Education;

(f) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to and including KRS 162.380;

(g) Bonds issued by corporations organized under the laws of the United States, or of any State in the United States, or of the District of Columbia, when such bonds have a rating of the highest or next highest classification made by a nationally known major rating service;

(h) Deposits in banks or trust companies in the Commonwealth of Kentucky organized under the laws of this state, or of the United States, when such deposits are interest bearing at a rate not lower than two percent per annum, and when such deposits are fully secured by direct obligations of the United States Government or of the Commonwealth of Kentucky, placed in the hands of the State Treasurer and approved by the board of trustees.

(2) (a) Except as provided in paragraph (c) of this subsection not more than twenty-five percent of any one issue may be purchased by the board of trustees as an investment; and not more than five percent of the invested funds of the retirement system may be invested in the obligations of any issuer except in the cases of obligations of the United States Government and of the State Mortgage Agency. For the purpose of this subsection revenue bond obligations of the Commonwealth of Kentucky or its departments and agencies shall not be deemed to be obligations of the same obligor if the

revenues pledged are derived from separate projects. No investment may be made in the obligation of any issuer which has been in default on any of its bonds or interest during a period of the last ten years immediately preceding the purchase.

(b) No more than twenty-five percent of the assets of the retirement system may be invested in all of the foregoing classification of (c), (d), (e) and (f) of subsection (1) of this section; and not more than twenty-five percent of the assets of the retirement system may be invested in corporate bonds of classification (g) of subsection (1) of this section.

(c) The board of trustees shall invest a portion of the assets of the retirement system, but no more than twenty percent, in bonds issued by the State Mortgage Agency, and is further authorized to purchase up to one hundred percent of the bonds issued by the agency in the board's discretion.

(3) No investment or disbursement of the funds shall be made unless authorized by resolution adopted by the board of trustees.

Section 7. Section 61.650 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall be the trustee of the several funds created by KRS 61.510 to 61.700 and shall have full power to invest and reinvest such funds, subject to the limitation that no investment shall be made except upon the exercise of bona fide discretion, in securities which, at the time of making the investment, are, by law, permitted for the investment of funds by fiduciaries in this state. Subject to such limitation, the board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well as of the proceeds of such investments and any monies belonging to such funds.

(2) A portion of the several funds created by KRS 61.510 to 61.700, but no more than twenty percent, shall be invested by the board in bonds issued by the State Mortgage Agency, notwithstanding any power or limitation conferred by subsection (1) of this section.

Section 8. Section 78.790 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall be the trustee of the several funds created by KRS 78.510 to 78.880, and shall have full power to invest and reinvest such funds, subject to the limitation that no investment shall be made except upon the exercise of bona fide discretion, in securities which, at the time of making the investment, are, by law, permitted for the investment of funds by fiduciaries in this state. Subject to such limitation, the board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well

as the proceeds of such investments and any monies belonging to such funds.

(2) A portion of the several funds created by KRS 61.510 to 61.700, but no more than twenty percent, shall be invested by the board in bonds issued by the State Mortgage Agency, notwithstanding any power or limitation conferred by subsection (1) of this section.

Section 9. The sum of one million dollars is appropriated out of the General Fund to the State Mortgage Agency for the fiscal biennium 1960-62 to be used as a revolving fund account. Funds from this account shall be used to purchase mortgages, and re-imbursement shall be made to the account from the sale of bonds.

Committee on Appropriations reported **HB 197** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 197, AN ACT relating to the control of pests and noxious weeds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Agriculture, Labor and Statistics;

(2) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics; and

(3) "Division" means the Division of Pest and Noxious Weed Control.

Section 2. Section 246.030 of the Kentucky Revised Stautes is amended to read as follows:

The department shall consist of:

(1) The Commissioner;

(2) The Board of Agriculture;

(3) The State Fair Board;

(4) The Division of Markets;

(5) The Division of Weights and Measures;

(6) The Board of Veterinary Examination; and

(7) The Division of Pest and Noxious Weed Control.

Section 3. The Division of Pest and Noxious Weed Control in the Department of Agriculture, Labor and Statistics shall be under the supervision of the commissioner and shall consist of personnel determined and appointed by him.

Section 4. The Division shall promote and sponsor programs to control pests and noxious weeds, enforce related regulatory and service measures assigned to the department, and conduct a Johnson grass control and eradication program.

Section 5. In order to perform the duties listed in Section 3 of this Act, the Division may:

(1) Utilize the services of a State Advisory Committee on Johnson grass control to be composed of persons interested in Johnson grass control appointed by the commissioner;

(2) Issue and enforce regulations for the eradication and control of noxious weeds, including Johnson grass, and pests;

(3) Cooperate with county agricultural agents, vocational agricultural teachers, University of Kentucky extension specialists, civic groups, or any federal, state or county agency in promoting county programs and organizations to control and eradicate noxious weeds and pests;

(4) Conduct or assist any governmental agency in conducting local or county-wide surveys to determine the degree of Johnson grass infestation;

(5) Cooperate with federal or state agencies in research and educational work in the field of pest and noxious weed control;

(6) Assist counties in qualifying for cost sharing programs to control Johnson grass or other noxious weeds;

(7) Publicize the threat of noxious weeds and pests and methods of combating them;

(8) Cooperate with the Department of Highways, county fiscal courts, transportation and industrial organizations in controlling Johnson grass and other noxious weeds on their premises and right of ways.

(9) Accept funds or contributions to carry out the purposes of this Act.

Section 6. To carry out the purposes of this Act, there is appropriated to the Department out of the General Expenditures Fund in the State Treasury the sum of fifty thousand dollars for the 1960-61 fiscal year and the sum of fifty thousand dollars for the 1961-62 fiscal year.

Committee on Fish and Game reported **HB 17** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 17, AN ACT relating to hunting and fishing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 150 of the Kentucky Revised Statutes is created to read as follows:

Any person who enters upon the enclosed lands of another to shoot, hunt or fish without the oral or written consent of the owner or occupant shall be fined not less than fifteen dollars nor more than one hundred dollars.

Section 2. A new section of Chapter 150 of the Kentucky Revised Statutes is created to read as follows:

(1) Any conservation officer shall upon written complaint of the owner or occupant arrest any person who is violating Section 1 of this Act, if the officer is already on the land for the purpose of enforcing other provisions of this chapter. The officer is authorized to arrest on his own initiative for a violation of Section 1 of this Act, whether or not he is already on the land for the purpose of enforcing other provisions of this chapter. He is not required to make an arrest unless he is already so on the land.

(2) Nothing in this section shall be construed to limit the existing powers of peace officers.

Section 3. Section 433.700 of the Kentucky Revised Statutes is repealed.

Committee on Municipalities reported **SB 55** with the expression of opinion that same should pass, with Committee Amendments attached thereto. Read at length for the first time and ordered placed in the Calendar.

SB 55, AN ACT relating to city boundaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The boundaries of the cities of this Commonwealth shall be and remain as now established unless changed pursuant to the provisions of this act.

Section 2. (1) Where any part of an unincorporated area lies within two miles of the boundary of any city of the first or second class, such unincorporated area shall become a part of that city whenever the density of population is as much as 2,500 persons per square mile and when the steps set out in subsection (2) have been taken. If the unincorporated area lies within two miles of more than one city of the first or second class, this provision shall apply to the largest city of the first or second class to which it can be made contiguous.

(2) Proceedings for the annexation of such territory shall be initiated in circuit court. The petition, which shall describe the boundaries of the unincorporated territory to be annexed pursuant to subsection (1), may be filed either by the city or by ten per cent of the registered voters of the unincorporated area. If the court finds that the density of population of the unincorporated area is as much as 2,500 persons per square mile, then the court shall enter a judgment

approving the annexation and specifying the effective date thereof, and the said territory shall become a part of the city upon the said date without further proceedings.

Section 3. (1) Whenever a city of any class desires to annex any adjacent unincorporated territory not subject to the provisions of section 2 of this act, the city legislative body shall enact an ordinance defining accurately the boundary of the territory proposed to be annexed. The ordinance shall be published as prescribed in Chapter 424 of Kentucky Revised Statutes. Unless written objections to the proposed annexation are filed with the city clerk within thirty days from the passage of the ordinance by at least ten per cent of the registered voters of the area to be annexed, the city legislative body shall enact another ordinance annexing to the city the territory previously proposed to be annexed. Such ordinance shall specify the date upon which the annexation shall become effective.

(2) If within thirty days from the passage of an ordinance proposing to annex unincorporated territory to a city of any class, written objections to the proposed annexations are filed with the city clerk by at least ten per cent of the registered voters of the area proposed to be annexed, the city may petition the circuit court to grant the annexation. Such petition shall set forth the desirability or expediency of annexation, a description of the area proposed to be annexed, a map of the area sought to be annexed, a general statement of the terms and conditions upon which annexation is sought, including the plans for extending municipal services to the area, and the proposed effective date for the annexation.

(3) When a petition is filed in accordance with subsection (2), the court shall hear and decide the case as provided in sections 7 to 13 of this act.

Section 4. Ten per cent of the registered voters of my unincorporated territory adjacent to a city of any class or the legislative body of any city of any class adjacent to another city may petition the circuit court stating that it is desirable that the territory or city be annexed to the city to which it is adjacent. The petition shall set forth a description of the territory or city desiring to be annexed. A copy of the petition shall be served on the legislative body of the city to which annexation is sought, and published in the manner prescribed by Chapter 424 of the Kentucky Revised Statutes. Thereafter the circuit court shall proceed as provided in sections 7 to 13 of this act.

Section 5. (1) Whenever a city of any class desires to annex all or any part of a city of a lesser class, the legislative body of the larger city shall pass an ordinance describing the city proposed to be annexed, or defining accurately the part proposed to be annexed, declaring it desirable to annex the city or part, and providing that the question of whether or not the city or part shall be annexed shall be submitted to the qualified voters of the city to be annexed, or, if only part of the city is proposed to be annexed, to the qualified voters residing in that part, at the next regular election to be held therein, if the next regular election is not held within sixty days after the passage of the ordinance.

(2) The mayor of the city proposing to annex shall deliver a certified copy of the ordinance to the county clerk, who shall, if it is proposed to annex the whole city, have printed on the ballots provided for use in the city proposed to be annexed the question: "Are you in favor of being annexed to the City of ---------?" Opposite the question shall be printed "Yes" and "No," with squares for stamping the cross mark to indicate preference. If it is proposed to annex only a part of the city, the clerk shall have the question printed on the ballots provided for use in each precinct embraced in whole or in part within that part of the city proposed to be annexed. If only a part of any precinct is embraced within that part of the city proposed to be annexed, the clerk of the election shall mark an "X" with the black ink stencil in the squares opposite both the words "Yes" and "No" upon the ballots of all persons voting who reside in the precinct but not in that part of it proposed to be annexed before he delivers the ballots to those voters. The clerk shall cause the sheriff to deliver to the election officers in each precinct copies of the ordinance proposing to annex.

(3) If one-half or more of those voting on the proposition vote in favor of annexing, the city proposing to annex shall pass an ordinance declaring the smaller city or part annexed, and the smaller city or part shall then become a part of the annexing city.

(4) If less than one-half of those voting on the proposition vote in favor of annexing, the ordinance proposing annexation shall become ineffectual for any purpose.

(5) A city annexing the territory of a city of lesser class shall be bound for all the debts and liabilities of that city and shall be the owner of all its corporate property, franchises and rights. If only a portion of the territory is annexed, the amount of existing debts and liabilities for which the annexing city is bound shall be in the proportion as the value of the property so annexed bears to the value of all property of the city from which the territory is taken, as shown by the last preceeding assessment of the successor of that city.

(6) If a proposal by a city to annex a city of lesser class is rejected by the voters of the smaller city, the question of annexation shall not again be submitted to the voters prior to the next succeeding general election.

Section 6. (1) Two or more cities of the same class may petition the circuit for consolidation of the cities whenever a majority of their registered voters, voting at a regular election or at a special election called for that purpose, have approved the consolidation proposal, or whenever such proposal has been approved by the respective legislative bodies of the cities proposed to be consolidated. The petition shall include a statement of the method by which the consolidation will be effected, and shall be published in the manner prescribed by Chapter 424 of the Kentucky Revised Statutes. If there is no remonstrance within thirty days from the date the petition is filed, the court shall declare the consolidation effected.

(2) The proposed consolidation may be remonstrated by ten per cent of the registered voters in any of the cities proposing to consolidate by the filing of an answer to the original petition within thirty days from the date the original petition was filed. The court shall hear and decide the case as provided in sections 7 to 13 of this act.

Section 7. In any proceeding in circuit court under this act any registered voters or freeholder in the territory proposed to be annexed may, by petition, become a party to such proceeding.

Section 8. (1) When proceedings for the annexation of territory to a city are pending and a petition is filed seeking the annexation of the same territory or a portion thereof to another city, the case shall be heard by the court in which the original proceedings are pending. The court shall consolidate the cases and hear them together.

(2) When the territory sought to be annexed by a city lies in two or more counties, the governing bodies of all counties wherein such territory lies shall be made parties defendant to the case. The motion or petition shall be addressed to the circuit court of the county in which the larger part of the territory sought to be annexed is located.

Section 9. (1) All proceedings in circuit court under this act shall be tried by the court without the intervention of a jury.

(2) The circuit court shall advance any case under this act on the docket and give such case precedence over other matters.

Section 10. Prior to hearing any case under sections 3, 4, and 6 of this act, the court shall, upon request of either party or its own motion, direct the attorneys for the parties to appear before it for a conference to consider:

(a) Simplification of the issues;

(b) Amendment of pleadings and filing of additional pleadings;

(c) Stipulations of facts, documents, records, photographs and like matters, which will dispense with formal proof thereof;

(d) Limitations on the number of expert witnesses, as well as requiring each expert witness who will testify to file a statement of his qualifications; and

(e) Such other matters as may aid in the expeditious disposition of the case.

The court shall make an appropriate order which will control the subsequent conduct of the case, unless modified before or during the trial or hearing to prevent manifest injustice.

Section 11. In all proceedings under sections 3, 4, and 6 of this act:

(1) The court shall hear the case upon the evidence as in other civil cases.

(2) If the court finds, upon a hearing, that the adding of the territory will be for the interest of the city, or that failure to annex will materially retard the progress and prosperity of the city, or will cause no manifest injury to the freeholders in the territory sought to be annexed, the annexation shall be approved by the court. The effective date of the annexation shall be determined by the court, but in no event shall it be later than one year from the date of the judgment nor earlier than the proposed date set forth in the petition. The court shall, in its written opinion, set forth the services to be immediately furnished to the annexed territory and the dates on which other services are to be furnished. As used herein, the term "services" shall mean those services regularly furnished by the annexing city.

(3) The judgment shall, when entered, be certified to the legislative body of the annexing city, which may thereupon enact an ordinance annexing the area pursuant to the terms of the judgment.

(4) Appeals may be taken to the Court of Appeals from the order of the circuit court.

(5) If a judgment of the circuit court is adverse to annexation by a city of any class, no further attempt to annex the territory concerned shall be made within one year after rendition of the judgment in the circuit court.

Section 12. In any proceedings under this act the court costs shall be paid by the city instituting the proceedings and shall be the same as in other civil cases. If the proceedings are instituted by a party other than a city, the costs shall be paid as the court directs.

Section 13. No proceedings brought under this act shall fail because of a defect, imperfection or omission in the pleadings which does not affect the substantial rights of the parties, or any other technical or procedural defect, imperfection or error.

Section 14. Except as provided in section 5, no part of a city shall be annexed unless the whole city is annexed, and the annexing city shall be bound for all the debts and liabilities of the city annexed and shall be the owner of all its corporate property, franchises and rights.

Section 15. (1) Whenever an ordinance proposing annexation of territory shall be introduced in the legislative body of a city of any class, a copy of the ordinance shall be forwarded to the fiscal court of the county by the chief executive officer of such city, at least seven days prior to enactment. Failure to observe the provisions of this section shall render an ordinance null and void.

(2) Whenever a petition proposing annexation of territory shall be filed in the circuit court, a copy of the petition shall be forwarded to the fiscal court of the county by the circuit court clerk of such county, at least sěven days prior to the date of hearing of said petition by the court. Failure to observe the provisions of this section shall render an ordinance null and void.

Section 16. Section 81.100, 81.110, 81.120 81.130, 81.140, 81.150, 81.160, 81.170, 81.180, 81.190, 81.195, 81.200, 81.210, 81.220, 81.230, 81.240, 81.250, 81.260, 81.270, 81.280, and 81.290 of the Kentucky Revised Statutes are repealed.

Amendments to **SB 55** are as follows:

Amend printed copy of **SB #55** By adding a new section to read as follows: "Section 17. The provision of this act shall be subject to the terms of KRS 81.280."

Amend printed copy of **SB #55** on page 1, subsection (1) of Sec. 2 By deleting lines 5 through 9 and substituting in lieu thereof the following:

"person per square mile unless at least fifty-one percent of the registered voters living in the area involved remonstrate against the proposed annexation. If the unincorporated area lies within two miles of more than one city of the first or second class, this provision shall apply to the largest city of the first or second class to which it can be made contiguous."

Amend printed copy of **SB #55** on page 2, subsection 2 of Section 2 By deleting lines 15 through 20 and substituting in lieu thereof the following:

"After determination by the court that the density of the population of the unincorporated area is as much as twenty five hundred persons per square mile, then the annexing procedure to be followed shall be the same as that outlined in Section 3, subsection 2, except that remonstrance must be made by at least fifty-one percent of the registered voters."

Calendar

HB 50, HB 140, HB 117, SB 131, SB 120, SB 49, SB 142, HB 63, SB 135, HB 32, HB 48, HB 56, SB 176, HB 216, SB 141, HB 236, HB 235, HB 238, HB 237, HB 180 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Senator Ware moved that the Senate do now adjourn until seven p. m., February 29. Agreed.

MONDAY, FEBRUARY 29, 1960

FORTY-FOURTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt, South Frankfort Presbyterian Church.

The roll was called. All present except Senators Conley, D. W. Howard and Johnson, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for February 26 dispensed with and the same approved on motion of Senator Ware.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 44** and **SB 32** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Motions

Senator Ware moved that **HB 180** be made a special order when we reach Orders of the Day. Agreed.

Introduction of Bills

SB 214, by Senator Overbey: AN ACT relating to school districts.

SB 215, by Senator Bishop: AN ACT relating to the improvement of Levi Jackson Wilderness Road State Park and making an appropriation therefor.

SB 216, by Senator White: AN ACT relating to hunting and fishing.

SB 217, by Senator Hamilton: AN ACT relating to fines.

SB 218, by Senator Kinkead: AN ACT relating to fraternal benefit societies.

SB 219, by Senator Duffy: AN ACT relating to condemnation.

SB 220, by Senator Kelly: AN ACT relating to school employes.

SB 221, by Senator Kelly: AN ACT relating to junkyards.

SB 222, by Senator Craft: AN ACT relating to discounts and rebates given to members of the ministry.

SB 223, by Senator Ware: AN ACT relating to turnpikes and providing a method, alternative to KRS 177.390 to 177.570, for the construction and financing thereof; creating The Turnpike Authority of Kentucky as an independent corporate agency and instrumentality of the Commonwealth for such purpose, and prescribing its membership, powers, and manner of proceeding; authorizing the Authority to make agreements and leases with the Department of Highways for the construction and operation of turnpikes and appurtenant facilities, and for the financing of such construction by the Authority through issuance of its revenue bonds; providing for the payment of such bonds; and declaring an emergency.

SB 224, by Senator Ware: AN ACT relating to Turnpikes and their financing; amending and re-enacting KRS 177.390, 177.400, 177.410, 177.430, 177.450, 177.470, 177.480, 177.520, 177.530, 177.550, and 177.560; and declaring an emergency.

SB 225, by Senator Ware: AN ACT relating to corporations.

Calendar

SB 188, SB 200, SB 179, HB 183, HB 146, SB 183, HB 171, SB 185, SB 180, HB 97, HB 42, HB 172, SB 162, HB 197, HB 17, SB 55, SB 187, SB 202, SB 198, SB 193, HB 155, HB 96, HB 199, SB 203, SB 182, HB 223, HB 211, SB 195, HB 244, HB 260, SB 3, SB 56, HB 169, HB 88, SB 146 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

HB 180 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Ware who moved the adoption. Agreed.

Amend printed copy of **HB 180** on page 3, section 1, line 45 by inserting the following after said line 45:

18. GENERAL ASSEMBLY

A. LEGISLATIVE—Legislative Sessions—$200,000

Senator Ware moved the Previous Question on **HB 180** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bishop, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 2—Bassett, Hamilton. **HB 180** was passed.

Title Amendment to **HB 180** by Senator Young, who moved the adoption. Agreed.

Amend printed copy of **HB 180** on page 1, title, by amending said title to read as follows:

"AN ACT relating to additional appropriations for the General Assembly and various agencies of State Government for the fiscal year 1959-60.

SB 138, **SB 139** taken from Orders of the Day. Senator Duffy moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

SB 121 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator McCann moved the adoption of Committee Amendment to **SB 121**. Agreed.

Amend printed copy of **SB 121** on page 6, by adding a new final section as follows:

"Section 11. Nothing in this act shall interfere with the professional activities of any licensed practicing physician, or prevent him from keeping any drug or medicine that he may need in his practice, from compounding his own prescriptions, or from supplying to his patients any article that seems to him proper."

Amendment #1 to SB **121** by Senator Raney, who moved the adoption. Agreed.

Amend printed copy of **SB 121** on page 4, section 5, lines 31 to 33, by deleting the following:

"and the rules and regulations of the board and the Code of Ethics of the Association";

Amendment #2 to **SB 121** by Senator Raney, who moved the adoption. Agreed.

Amend printed copy of **SB 121** on page 4, section 5, lines 31 to 33, on page 5, section 6, lines 32 to 34 by deleting the following:

"or of any regulation of the board or any violation of the Code of Ethics of the Association."; and

Amendment #3 to **SB 121** by Senator Raney, who moved the adoption. Agreed.

Amend printed copy of **SB 121** on page 4, section 5, lines 31 to 33, on page 5, section 6, line 32, by inserting a period punctuation mark after the word "pharmacy."

Senator Ware moved the Previous Question on **SB 121** as amended. Agreed.

On the roll call, the vote was: Yeas 16—Bishop, Brand, Bonn, Duffy, Francis, Garnett, Hehl, Hickerson, Kinkead, Martin, McCann, Miller, Overbey, Raney, Richmond, Ware. Nays 9—Bassett, Blake, Craft, C. H. Davis, Derickson, Hamilton, Kelly, Logan, Young. **SB 121** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 121** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 142 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

SB 129 taken from Orders of the Day and ordered read at length for the third time. Senator Martin moved that it be read by title only. Agreed.

Amendment #1 to **SB 129** by Senator Martin, who moved the adoption. Agreed.

Amend printed copy of **SB 129** on page 1, section 1, line 4 by deleting after the word "in" the words "mining within five feet"
and inserting in lieu thereof the words:
"strip mining within twenty-five feet, or in other mining methods within ten feet."

Senator Martin moved the Previous Question on **SB 129** as amended. Agreed.

On the roll call, the vote was: Yeas 21—Bassett, Blue, Bonn, Byers, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Jackson, Kelly, Kidwell, Martin, McCann, Overbey, Richmond, Ware. Nays 5—Bishop, Francis, Hubbard, Kinkead, Logan. **SB 129** was passed and the title agreed to.

Senator Martin moved that the vote by which **SB 129** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 49, HB 254, HB 255, HB 258, HB 271, HB 300.**

SB 119 taken from Orders of the Day and ordered read at length for the third time. Senator Hehl moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **SB 119.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware, White, Young. Nays 2—Francis Miller. **SB 119** was passed and the title agreed to.

Senator Hehl moved that the vote by which **SB 119** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 173 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **SB 173.** Agreed.

On the roll call, the vote was: Yeas 26—Blue, Bonn, Byers, Craft, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 4—Blake, Brand, Derickson, Young. **SB 173** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 173** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 163, SB 103 taken from Orders of the Day. Senator Richmond moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Committee Substitute for **SB 84** taken from Orders of the Day and ordered read at length for the third time. Senator White moved that it be read by title only. Agreed.

Senator White moved the adoption of the Committee Substitute. Agreed.

Senator White moved the Previous Question on **SB 84.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond Ware, White, Young. Nays 0. **SB 84** was passed and the title agreed to.

Senator White moved that the vote by which **SB 84** was passed be reconsidered and said motion be laid on the table.

HB 53 taken from Orders of the Day and ordered read at length for the third time. Senator Bassett moved that it be read by title only. Agreed.

Senator Bassett moved the Previous Question on **HB 53.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Blue, Bonn, Byers, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware White, Young. Nays 0. **HB 53** was passed and the title agreed to.

Senator Bassett moved that the vote by which **HB 53** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 36, SB 157 taken from Orders of the Day. Senator Bonn moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Senator Duffy moved that **SB 152** be recommitted to the Committee on Revenue and Taxation. Agreed.

HB 50 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

HB 140 taken from Orders of the Day and ordered read at length for the third time. Senator Miller moved that it be read by title only. Agreed.

Senator Miller moved the Previous Question on **HB 140**. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 140** was passed and the title agreed to.

Senator Miller moved that the vote by which **HB 140** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 117, SB 131, SB 120, SB 49, SB 142, HB 63, SB 135, HB 32, HB 48, HB 56, SB 176, HB 216, SB 141, HB 236, HB 235, HB 238, HB 237 taken from Orders of the Day. Senator Ware moved that consideration of said bills be deferred and that they retain their place in Orders of the Day. Agreed.

Reference of Bills

The President announced reference of the following bills:

Ky. Statutes #1: **SB 205, SB 206, SB 210.**

Senator Miller moved suspension of the Rules for the purpose of making Committee Report. Agreed.

Report of Committee

Committee on Courts and Legal Procedure reported **SB 184** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 184, AN ACT relating to newspaper publications for the purpose of legal notice or advertisement; including provisions to govern publications required by law to be made, and requiring certain matters to be published.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Sections 424.110, 424.120, 424.130, 424.140, 424.150, 424.160, 424.220, 424.240, 424.260, 424.270, 424.290, 424.340 and 424.990 of the Kentucky Revised Statutes are amended to read as follows:

424.110 Definitions. As used in KRS 424.110 to 424.370:

(1) "Publication area" means the city, county, district or other local area for which an advertsiement is required by law to be made. An advertisement shall be deemed to be for a particular city, county, district or other local area if it concerns an official activity of such city, county, district or other area or of any governing body, board, commission, officer, agency or court thereof, or if the matter of which advertisement is made concerns particularly the people of such city, county, district or other area.

(2) "Advertisement" means any matter required by law to be published.

424.120 Qualifications of newspapers. (1) Except as provided in subsection (2), whenever an advertisement for a publication area is required by law to be published in a newspaper, the publication must be made in a newspaper that meets the following requirements:

(a) It must be published in the publication area. A newspaper shall be deemed to be published in the area if it maintains a known office in the area for the purpose of gathering news and soliciting advertisements and other general business of newspaper publications, and has a second-class mailing permit issued for that office. A newspaper printed outside of Kentucky shall not be eligible to publish advertisements for any county or publication area within the county, other than for the city in which its main office is located, if there is a newspaper printed in the county that has a substantial general circulation throughout the county and that otherwise meets the requirements of this section. And

(b) It must be of regular issue and have the largest bona fide circulation in the publication area. A newspaper shall be deemed to be of regular issue if it is published regularly, as frequently as once a week, for at least 50 weeks during the calendar year as prescribed by its mailing permit, and has been so published in the area for the immediately preceding one-year period. A newspaper shall be deemed to be of bona fide circulation in the publication area if it is circulated generally in the area, and maintains a definite price or consideration not less than 50 percent of its published price, and is paid for by not less than 50 percent of those to whom distribution is made. And

(c) It must bear a title or name, consist of not less than four pages without a cover, and be of a type to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements, and other notices. The news content must be at least 25 percent of the total column space in more than one-half of its issues during any twelve-month period.

(2) If, in the case of a publication area smaller than the county in which it is located, there is no newspaper published in the area, the publication shall be made in a newspaper published in the county that is qualified under this section to publish advertisements for the county. If, in any county there is no newspaper meeting the requirements of this section for publishing advertisements for such county, any advertisements required to be published for such county or for any publication area within the county shall be published in a newspaper of the largest bona fide circulation in that county, published in and qualified to publish advertisements for an adjoining county in Kentucky. This subsection is intended to supersede any statute that provides or contemplates that newspaper publication may be dispensed with if there is no newspaper printed or published or of general circulation in the particular publication area.

(3) If a publication area consists of a district, other than a city, which extends into more than one county, the part of the district in each county shall be considered to be a separate publication area for the purposes of this section, and an advertisement for each such separate publication area shall be published in a newspaper qualified under this section to publish advertisements for such area.

424.130 Times and periods of publication. (1) Except as otherwise provided in KRS 424.110 to 424.370 and notwithstanding any provision of existing law providing for different times or periods of publication, the times and periods of publications of advertisements required by law to be made in a newspaper shall be as follows:

(a) When an advertisement is of a completed act, such as an ordinance, resolution, regulation, order, rule, report, statement, or certificate and the purpose of the publication is not to inform the public or the members of any class of persons that they may or shall do an act or exercise a right within a designated period or upon or by a designated date, the advertisement shall be published one time only and within thirty days after completion of the act. However, a failure to comply with this paragraph shall not subject a person to any of the penalties provided by KRS 424.990 unless such failure continues for a period of ten days after notice to comply has been given him by registered letter.

(b) When an advertisement is for the purpose of informing the public or the members or any class of persons that on or before a certain day they may or shall file a petition or exceptions or a remonstrance or protest or objection, or resist the granting of an application or petititon, or present or file a claim, or submit a bid, the advertisement shall be published at least once, but may be published two or more times, provided that one publication occurs not less than seven days nor more than twenty-one days before the occurrence of the act or event.

(c) When an advertisement is for the purpose of informing the public and the advertisement is of a sale of property or is a notice of delinquent taxes, the advertisement shall be published at least twice, but may be published additional times, provided that one publication occurs not less than seven days nor more than twenty-one days before the occurrence of the act or event.

(d) Any advertisement not coming within the scope of paragraph (a) or (b) or (c) of this subsection, such as one for the purpose of informing the public or the members of any class of persons of the holding of an election, or of a public hearing, or of an examination, or of an opportunity for inspection, or of the due date of a tax or special assessment, shall be published at least once but may be published two or more times, provided that one publication occurs not less than seven days nor more than twenty-one days before the occurrence of the act or event, or in the case of an inspection period, the inspection period commences.

(e) If the particular statute requiring that an advertisement be published provides that the day upon or by which, or the period within which, an act may or shall be done or a right exercised, or an event may or shall take place, is to be determined by computing time from the day of publication of an advertisement, the advertisement shall be published at least once, promptly, in accordance with the statute, and the computation of time shall be from the day of initial publication.

(2) This section is not intended to supersede or affect any statute providing for notice of the fact that an adversary action in court has been commenced.

424.140 Contents or form of advertisements. (1) Any advertisement of a hearing, meeting or examination shall state the time, place and purpose of the same.

(2) Any advertisement of an election shall state the time and purpose of the election, and if the election is upon a public question the advertisement shall state the substance of the question.

(3) Any advertisement for bids or of a sale shall describe what is to be bid for or sold, the time and place of the sale or for the receipt of bids, and any special terms of the sale.

(4) Where any statute provides that, within a specified period of time after action by any governmental agency, unit or body, members of the public or anyone interested in or affected by such action shall or may act, and it is provided by statute that notice of such governmental action be published, the advertisement shall state the time and place when and where action may be taken.

424.150 Person responsible for publishing. When any statute providing for newspaper publication of an advertisement does not designate the person responsible for causing the publication to be made, the responsible person shall be:

(1) Where the advertisement is of the filing of a petition or application, the person by whom the same is filed.

(2) Where the advertisement is of an activity or action of:

(a) An individual public officer, the officer himself.

(b) A city, the city clerk if there be one; if not, the mayor or the chairman of the board of trustees.

(c) A county, the county court clerk.

(d) A district, or a board, commission or agency of a city, county or district, the chief administrative or executive officer or agent thereof.

(e) A court, the clerk thereof.

(f) A state department or agency, the head thereof.

424.160 Rates. (1) For all newspaper advertising required by law, the publisher is entitled to receive payment for each insertion at a rate per linear inch, single column, computed as solid eight-point measure. The rate shall not exceed that paid by general advertisers for comparable matter, but in no case shall it be less than $1.00 per linear inch for weekly newspapers and $1.50 per linear inch for daily newspapers.

(2) Whenever by law or by the nature of the matter to be published a display form of advertisement is required, or whenever the person or officer responsible for causing an advertisement to be published determines in his discretion that a display form is practicable or feasible, and so directs the newspaper, the advertisement shall be published in display form and the newspaper shall be entitled to receive therefor its established display rate.

(3) Whenever it is provided by statute that an advertisement shall be published of the filing of a petition or application seeking official action, the filing, if required by other than a governmental official or agency, shall not be deemed complete unless there is deposited with the petition or application an amount sufficient to pay the cost of publication.

(4) The expense of advertisements in judicial proceedings shall be taxed as costs by the clerk of the court.

424.220 Financial statements. Excepting officers of a city of the first class, a county containing such a city, a public agency of such a city or county, or a joint agency of such a city and county, or of a school district of such a city or county, and excepting officers of a city of the second class that is required by law to publish an annual audit of its financial affairs, every public officer of any school district, city, county, or subdivision or district less than a county, whose duty it is to collect, receive, have the custody, control or disbursement of public funds, and every officer of any board or commission of a city, county or district whose duty it is to collect, receive, have the custody, control or disbursement of funds collected from the public in the form of rates, charges or assessments for services or benefits, shall at the expiration of each fiscal year prepare an itemized, sworn statement of the funds collected, received, held or disbursed by him during the fiscal year just closed, unless he has complied with KRS 424.230. The statement shall show the amount of funds collected and received, from what sources received, the amount disbursed, the date of each disbursement, for what purpose expended, and to whom paid, except that only the totals of amounts paid to each person need to be shown. The officer shall procure and include in or attach to the statement as a part thereof a certificate from the cashier or other proper officer of the banks in which the funds are or have been deposited during the past year, showing the balance, if any, of funds to the credit of the officer making the statement. The officer, shall, within 60 days after the close of the fiscal year, cause the statement to be published in full in a newspaper qualified under KRS 424.120 to publish advertisements for the city, county or district, as the case may be. Promptly after the publication is made, the officer shall file a written or printed copy of the advertisement with proof of publication, in the office of the county court clerk of the county. Within 30 days after publication the officer shall file with the Auditor of Public Accounts a copy of the newspaper containing the statement.

424.240 City Budget. Immediately following the adoption of an annual budget by any city other than one of the first class, the city clerk shall cause a summary of the budget or the text of the budget ordinance to be advertised for the city by publication in a newspaper.

424.260 Bids for materials, supplies, equipment or services. Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county or district, or board or commission of a city or county, may make a contract for materials, supplies or equipment, or for contractural services other than professional, involving an expenditure of more than $1,000.00 without first making newspaper advertisement for bids. Provided, however, that this requirement shall not apply in an emergency if the chief executive officer of such city, county or district has duly certified that an emergency exists, and has filed a copy of such certificate with the chief financial officer of such city, county, or district.

424.270 Local administrative regulations. No general regulation of uniform application throughout the publication area promulgated by any officer, board or commission of a city, county, or district, which is intended to impose liabilities or restrictions upon the public shall be valid unless and until it, or a notice of such promulgation, together with a statement where the original regulation may be examined by the public, has been advertised by newspaper publication.

424.290 Election ballot facsimiles. Not less than three days before any primary or regular election the county court clerk shall cause to be published in a newspaper a facsimile of the ballot or ballots, or when voting machines are to be used, of the face of the voting machines showing the ballot labels in place. Where the ballots or voting machine faces differ for various precincts within the county, a facsimile of each different ballot or voting machine face shall be published, with appropriate identification. The cost of publication shall be paid by the county, except that the cost of publishing any ballot or voting machine face that is limited to a city election or a district election other than a school district election, shall be paid by the city or the district as the case may be.

424.340 Appointment of personal representatives, and notice to creditors. (1) Except as provided in subsections (2) and (3), the administrator or executor of the estate of any decedent shall, upon receipt of his letters of appointment, cause notice to be given by newspaper publication of the fact of his appointment, and that all persons having claims against the estate shall present them, verified according to law, to the administrator or executor, at a designated address, not later than a designated date, to be fixed as three months after the final publication. The first publication shall be made within one month after the receipt of the letters of appointment.

(2) Such publication is not required where notice to creditors has been published by a former administrator or executor of the estate.

(3) The court may in its discretion dispense with such publication when the gross assets of the estate are insufficient to pay preferred claims. The court may also dispense with publication when the gross assets of the estate, including real and personal property, do not exceed $1,500 in value, in which case the administrator or executor, within one month after receipt of his letters of appointment, shall post notices in three prominent places, including the courthouse of the county of his appointment, setting forth the fact of his appointment and notifying creditors of the decedent to present their claims to him by a designated date, which shall be three months after the date on which the notices are posted.

424.990 Penalties. Any person who violates any provision of KRS 424.110 to 424.370 shall be fined not less than $50 nor more than $500. In addition, any officer who fails to comply with any of the provisions of KRS 424.220, 424.230, 424.240, 424.250, 424.290 or 424.330 shall, for each such failure, be subject to a forfeiture of not less than

$50 nor more than $500, in the discretion of the court, which may be recovered only once, in a civil action brought by any citizen of the city, county or district for which the officer serves. The costs of all proceedings, including a reasonable fee for the attorney of the citizen bringing the action, shall be assessed against the unsuccessful party.

Section 2. Sections 424.200 and 424.350 of the Kentucky Revised Statutes are repealed.

Section 3. Section 29 of Chapter 42 of the Acts of 1958 is amended to read as follows:

This Act is intended to standardize and make uniform the law relating to legal advertisements and to that end it shall supersede all other statutes and parts of statutes containing specialized provisions for particular advertisements, to the extent that such provisions are in conflict with this Act. All statutes or parts of statutes in conflict with this Act are hereby repealed to the extent of said conflict.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 1. Agreed.

TUESDAY, MARCH 1, 1960

FORTY-FIFTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt of the South Frankfort Presbyterian Church of Frankfort.

The roll was called. All present except Senator D. W. Howard, who was granted leave of absence on motion of Senator McCann.

Reading of the Journal for February 29 dispensed with and the same approved on motion of Senator McCann.

Motions

Senator Blake moved that **SB 131** be made a special order at two thirty p. m., today which motion lost.

Committee on Committees announced the following Senators to serve on the Rules Committee:

Chairman: James C. Ware.

Members: J. Murray Blue, Bernard J. Bonn, George G. Brand, George D. Conley, Archie Craft, Charles H. Davis, Herbert T. Derickson, Martin J. Duffy, Jr., Cabell D. Francis, Richard L. Garnett, Lambert Hehl, Jr., Broadus E. Hickerson, Clyde S. Howard, Durham W. Howard, Sam R. Hubbard, Paul Jackson, Alvin Kidwell, Shelby Kinkead, Rex A. Logan, Burnis Martin, C. W. A. McCann, Strother Melton, George E. Overbey, Sr., Tom Raney, Everett White.

Introductions

SB 226, by Senator Bonn: AN ACT relating to regulation of the business of selling motor vehicles.

SB 227, by Senator Ware: AN ACT relating to absent voting.

SR 43, by Senator Johnson: A CONCURRENT RESOLUTION relating to heating of public buildings.

Report of Committee

Committee on Education reported **HB 200** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 200, AN ACT relating to school districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.190 of the Kentucky Revised Statutes is hereby amended to read as follows:

Any vacancy in any board of education shall be filled by the other members of the board within ninety days after the vacancy occurs. If the vacancy is not filled by the other members of the board within ninety days, it shall be filled by the State Board of Education within thirty days after information has been filed by any citizen of the district that the vacancy has existed for more than ninety days. The member so chosen shall hold office until the next regular election and until his successor is elected and has qualified.

Calendar

SB 184 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that it be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 138, SB 139 taken from Orders of the Day. Senator Duffy moved that consideration of said bill be deferred and that it retain its place in Orders of the Day. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 2.

Senators Blake and Richmond requested a roll call on Senator Ware's motion to adjourn.

On the roll call the vote was: Yeas 28—Brand, Blue, Bonn, Byers, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney Ware, White, Young. Nays 4—Blake, Johnson, Miller, Richmond. Motion to adjourn was passed.

WEDNESDAY, MARCH 2, 1960

FORTY-SIXTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt of the South Frankfort Presbyterian Church of Frankfort.

The roll was called. All present except Senator Bonn, who was granted leave of absence on motion of Senator McCann.

Reading of the Journal for March 1 dispensed with and the same approved on motion of Senator McCann.

Motions

Senator White moved to take up **HR 65.** Agreed.

Senator White moved the adoption of **HR 65.** Agreed.

HR 65, A CONCURRENT RESOLUTION directing the Department of Conservation to establish Rocky Creek State Park.

WHEREAS, the Rocky Creek Dam impounds the beautiful one-thousand acre Lake Malone, which lies in a wooded area whose steep pine-covered bluffs and hills and valleys make it an ideal site for recreation; and

WHEREAS, the site is in the area of the $100,000,000 TVA plant at Paradise, in Muhlenberg County, and the establishment of a recreational site would attract even more industry, and promote the development of the Green River area; and

WHEREAS, approximately one hundred acres of the necessary land have already been donated by W. C. Malone of Muhlenberg County to the Division of Parks for the purpose of establishing a state park;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Department of Conservation is requested to establish Rocky Creek State Park.

Introduction of Bills and Resolutions

SR 44, by Senator Richmond: A RESOLUTION directing each executive and administrative department and agency of the state government to submit to the Senate a report concerning its personnel.

Senator Richmond moved the adoption of **SR 44.**

SR 44, A RESOLUTION directing each executive and administrative department and agency of the state government to submit to the Senate a report concerning its personnel.

WHEREAS, the needs and services of the government of the Commonwealth are constantly increasing; and

WHEREAS, during the interval between sessions of the Senate there has been a substantial turnover of personnel; and

WHEREAS, in order to properly consider and intelligently analyze the needs, the requests, the overall planning and functioning of the state government, it is necessary for the Senate to be informed of the number and nature of state employes who form the component parts thereof and of each change by addition, transfer or termination of personnel as such may occur hereafter;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the chief officer of each executive and administrative department or agency of this Commonwealth shall on or before March 10, 1960, furnish to the Clerk of the Senate for the use and benefit of the members thereof a complete list containing the name, address, type of job or position and compensation of all employes of the department or agency as of March 1, 1960, and a notice of each change by addition, transfer or termination as such may occur thereafter. This list shall include all part time, contract, and fee employes, if any.

Section 2. That the Clerk of the Senate immediately after adoption of the Resolution transmit a copy thereof to the chief officer of each department or agency, directing each to comply with the request herein.

Said motion lost on a standing vote.

SB 228, by Senators Hehl and Conley: AN ACT relating to social security, extending coverage to teachers.

SB 229, by Senator Johnson: AN ACT relating to petty loan companies.

SB 230, by Senator Ware: AN ACT relating to testimony and services of optometrists.

SB 231, by Senators Francis and Ware: AN ACT relating to motor vehicles and to make uniform the law with reference to certification of title.

SB 232, by Senator Bishop: AN ACT relating to expenses of operating motor vehicle used by state officer, employe or agent.

SB 233, by Senator McCann: AN ACT relating to holidays.

SB 234, by Senators Garnett, Martin, Logan, Duffy, Hehl, Miller, Ware, Blue and Overbey: AN ACT relating to procedure in criminal cases.

SB 235, by Senators Blue, Richmond, Garnett, J. R. Hamilton, Mrs. J. H. Davis, McCann and Conley: AN ACT relating to the regulation, conservation and production of oil and gas.

Report of Committees

Rules Committee reported **SB 47, SB 158, SB 171, SB 223, SB 224, SB 225, HB 181, HB 209, HB 300, SB 72, SB 166, SB 208, SB 73, SB 116, SB 165, SB 219, HB 207** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 47, AN ACT relating to the erection of a statue in Memory of Alben William Barkley, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The State Property and Buildings Commission shall, within the legislative biennium 1960-1962, enter into a contract with a qualified sculptor to create by appropriate and recognized methods a lifesize statue of the late Alben William Barkley. Upon completion and acceptance by the Commission, the statue shall be placed in an appropriate place in the rotunda of the State Capitol. The statue shall be so constructed as to harmonize with those statues presently located in the rotunda of the Capitol.

Section 2. The Governor shall appoint a citizens committee for the purpose of advising the State Property and Buildings Commission concerning the selection and erection of the statue. The Composition of such committee shall be at the discretion of the Governor.

Section 3. In order to carry out the provisions of this Act, there is hereby appropriated out of the General Expenditure Fund to the State Property and Buildings Commission, for the fiscal year 1960-1961, and without lapse if unexpended, the sum of Fifty Thousand Dollars. Upon completion of the project, any unused or uncommitted portion of the amount herein appropriated shall revert to the General Expenditure Fund.

SB 158, AN ACT relating to the Kentucky Disabled Ex-Service Men's Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 36.065 is amended to read as follows:

(1) There is created a board to be known as the Kentucky Disabled Ex-Service Men's Board, which shall constitute an independent agency of the state government within the meaning of KRS Chapter 12. The board shall be composed of the Adjutant General, who shall act as chairman, and four members appointed by the Governor. The appointed members shall serve for terms of four years and until their successors are appointed and have qualified, except that the members of the first board shall be so appointed that the terms of one member will be for one year, another for two years, another for three years and the other for four years. All appointments to the board, including appointments of successors and appointments to fill vacancies, shall be made by the Governor provided, however, that said appointees shall be veterans with service during time of war or hostilities wherein American troops were engaged in conflict with an armed enemy. Insofar as practicable the Governor, in making appointments to the Board, may give due consideration to a fair representation on the Board of nationally recognized veterans organizations active in Kentucky, based upon the size of their membership in this State. The state headquarters of each such veterans organization may, from time to time, submit a list of not more than three names to the Governor, from a list original appointments may be made and vacancies filled, in his discretion. The members of the board shall receive no compensation for their services, but shall be entitled to reimbursement for their actual and necessary traveling expenses and lodging incurred in the proper performance of their duties in or out of this state.

(2) The Kentucky Disabled Ex-Service Men's Board shall:

(a) Prepare in proper form, present and prosecute the claims of disabled ex-service men and women and their dependents with the United States Veterans' Administration and other Federal agencies;

(b) Secure and expedite action on the claims;

(c) Keep in contact with the United States Veterans' Administration so that the status of any claim may be known at any time;

(d) Continue to survey the state to make certain that no disabled veteran or his dependents are neglected;

(e) Perform such other duties as the Board considers necessary or desirable in the accomplishment of the purposes for which the Board was created.

(3) The Board shall employ such personnel as shall be needed to carry out the purposes of this Act.

(4) "Veterans" and "ex-service men and women" as used in this section, include any individual who served on active duty during peace or war in the armed forces of the United States and who has received an honorable discharge from such service.

SB 171, AN ACT relating to Special Circuit Judges and the Special

Circuit Judge Fund, including provisions for classifications, duties, activities, allowances, investments, contributions and appropriations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 23.300 of the Kentucky Revised Statutes is amended to read as follows:

There is hereby created the classification of special circuit judge of the Commonwealth of Kentucky.

Sec. 2. Section 23.330 of the Kentucky Revised Statutes is amended to read as follows:

The classification of special circuit judge created by KRS 23.300 shall be deemed to be a retirement classification, achieved by virtue of age, previous service and contributions as provided in KRS 23.310. No person while holding appointment as such special circuit judge shall be eligible to hold any compensated public office, except that he may upon designation by the Court of Appeals serve as a special judge under KRS 23.230 or 23.260, and when doing so shall be entitled to per diem and expenses in accordance with the provisions of KRS 23.290, from the same source as provided by law for other special judges so serving.

Sec. 3. Section 23.340 of the Kentucky Revised Statutes is amended to read as follows:

Each special circuit judge shall be paid out of the special circuit judge fund an annual allowance of $3,500, plus $150 for each year or major fraction thereof of service as a regular circuit judge in excess of 10 years, provided that the number of years of service to be used in computing the allowance payable shall not exceed 20.

Sec. 4. Section 23.350 of the Kentucky Revised Statutes is amended to read as follows:

There is hereby established in the State Treasury a separate fund to be known as the special circuit judge fund. Each regular circuit judge shall contribute into this fund an amount equal to three percent of his annual salary as a circuit judge paid by the state, such contribution to be deducted by the State Treasurer from the monthly pay of each circuit judge and credited in the special circuit judge fund to such circuit judge.

Sec. 5. Section 23.370 of the Kentucky Revised Statutes is amended to read as follows:

The committee may invest all or any part of the special circuit judge fund, not needed to pay allowances to special circuit judges, in obligations of the United States of America. The committee shall have authority to make pro rata reductions in the allowances payable under KRS 23.340, when necessary to prevent exhaustion of the fund.

Sec. 6. In addition to the sums appropriated out of the State Treasury to the Special Circuit Judge Fund by the General Appropriation Act of the 1960 General Assembly for the fiscal years 1960-61 and 1961-62, there hereby is appropriated to said fund out of the General Expenditure Fund in the State Treasury, for each of said fiscal years, an additional sum of $20,000.

Sec. 7. This Act shall become effective on July 1, 1960.

SB 223, AN ACT relating to turnpikes and providing a method, alternative to KRS 177.390 to 177.570, for the construction and financing thereof; creating The Turnpike Authority of Kentucky as an independent corporate agency and instrumentality of the Commonwealth for such purpose, and prescribing its membership, powers, and manner of proceeding; authorizing the Authority to make agreements and leases with the Department of Highways for the construction and operation of turnpikes and appurtenant facilities, and for the financing of such construction by the Authority through issuance of its revenue bonds; providing for the payment of such bonds; and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Legislative Intent. This Act is intended to supplement KRS 177.390 to 177.570 by providing an additional and alternative method for the provision and financing of turnpikes and appurtenant facilities to the end that such projects may be undertaken in such manner as may best be calculated to expedite relief from hazardous and congested traffic conditions on the highways in the Commonwealth and to provide acceptable avenues of commerce and inter-communication by vehicular traffic among the several sections of the Commonwealth.

Section 2. Turnpike Authority of Kentucky; membership; meetings; quorum; a corporate independent agency and instrumentality.

(a) The Governor, the Lieutenant Governor, the Commissioner of Highways, the State Highway Engineer, and the Attorney General, and their respective successors in office, shall be a body corporate and politic constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of "The Turnpike Authority of Kentucky," with perpetual successsion and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this Act, all of the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(b) The members of the Authority shall receive no compensation for their services in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as such members.

(c) Three members of the Authority shall constitute a quorum for the transaction of business, and in the absence of a quorum, one or more members may adjourn form time to time until a quorum is convened. Within ninety (90) days from the effective date of this Act, the Authority shall convene and organize. The Governor shall, by virtue of his office, be the chairman of the Authority and the Lieutenant Governor shall in like manner be the vice-chairman. The Authority shall elect a Secretary and a Treasurer who shall not be members of the Authority, each of whom shall serve at the pleasure of the Authority and shall receive such compensation as may be determined by the Authority with approval of the Commissioner of Personnel to be paid from the budgeted funds of the department. The Treasurer shall give bond to the Authority and the Commonwealth conditioned upon his faithful accounting for all funds coming into his custody from time to time, the same to be in such amount as the Authority may prescribe, with corporate surety given by a surety company qualified to do business in the Commonwealth, premium therefor to be paid by the Authority. The Authority shall establish and maintain an office in premises which shall be provided for that purpose by the Department of Highways without cost to the Authority; and the Secretary of the Authority shall at all times maintain therein complete records of all of the Authority's actions and proceedings, which shall constitute public records open to inspection at reasonable times.

Section 3. Definition. As used in this Act, the following words shall have the following respective meanings, unless another or different meaning or intent shall be clearly indicated by the context:

(1) The word "Authority" shall mean The Turnpike Authority of Kentucky.

(2) The word "department" shall mean the Department of Highways, or, if said department shall be abolished, the department, board, body or commission succeeding to the principal functions thereof or to whom the powers given by KRS 177.390 to 177.570 to the department shall be given by law.

(3) The word "project" or the words "turnpike project" shall mean any express highway or superhighway or such part or parts thereof as may be constructed by the Authority under the provisions of this Act, including all bridges, tunnels, overpassees, underpasses, interchanges, entrance plazas, approaches, connecting highways, toll houses, service stations, garages, restaurants, and administration, storage and other buildings and facilities which the Authority may deem necessary for the operation of such project, together with all property, rights, easements and interests which may be acquired by the Authority or by the department for the construction or the operation of such project.

(4) The word "cost" as applied to a turnpike project shall embrace the cost of construction, the cost of the acquisition of all land, rights-of-way, property, rights, easements and interests acquired for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, provision for working capital in such amount as the Authority shall determine to be reasonable, interest prior to and during construction and, if deemed advisable by the Authority, for a period not exceeding two years after completion of construction, cost of traffic estimates, engineering and legal expenses, cost of plans, specifications, surveys, estimates of cost and of revenues, other expenses as may be necessary or incident to determining the feasibility or practicability of constructing any such project, administrative expenses, and such other expense as may be necessary or incident to the construction of the project, the financing of such construction and the placing of the project in operation. Any obligation or expense hereafter incurred for a turnpike project by the Authority or by the department on behalf of the Authority, and any obligation or expense heretofore incurred by the department for any such turnpike project, for traffic surveys, borings, preparation of plans and specifications, engineering, and other services in connection with the construction of a project may be regarded as a part of the cost of such project and may, if advanced by the department, be reimbursed to it out of the proceeds of turnpike revenue bonds of the Authority.

(5) The word "public highways" shall include all public highways, roads and streets in the Commonwealth, whether maintained by the Commonwealth or by any county, city, town or other political subdivision or agency.

(6) The word "bonds" or the word "revenue bonds" or "turnpike revenue bonds" shall mean revenue bonds or revenue refunding bonds of the Authority issued under the provisions of this Act.

(7) The word "owner" shall include all individuals, copartnerships, associations, or corporations having any title or interest in any property, rights, easements or interests authorized by this Act to be acquired.

(8) The word "Agreement" shall mean a written agreement, made by and between the Authority and the department under the provisions of Section 6 of this Act, providing for the financing and constructing of one or more turnpike projects by the Authority.

(9) The word "Lease" shall mean a written lease made by the Authority as lessor and the department as lessee under the provisions of Section 7 of this Act, relating to one or more turnpike projects financed and constructed by the Authority.

(10) The word "biennium" or the words "biennial period" or "biennial term" shall mean the two-year fiscal period of the Common-

wealth, commencing on July 1 in each even-numbered year and ending on June 30 in the next ensuing even-numbered year.

Section 4. Authority may undertake Turnpike Projects pursuant to agreement with the department. In order to provide for the construction of modern express highways or superhighways embodying safety devices (including, when determined by the Authority and the department to be feasible and necessary, center division, ample shoulder widths, longsight distances, two or more lanes in each direction and grade separations at intersections with other highways and railroads and other appurtenances), and thereby to facilitate vehicular traffic, remove many of the present handicaps and hazards on the congested highways in the Commonwealth, and promote the agricultural and industrial development of the Commonwealth, the Authority is hereby authorized and empowered, under and pursuant to the terms and provisions of a written Agreement or Agreements with the department as hereinafter provided, to construct, maintain, repair and operate turnpike projects, to lease such projects to the department, and to issue revenue bonds of the Authority to finance such projects.

Section 5. General powers of the Authority as to turnpike projects. The Authority is hereby authorized and empowered:

(1) To construct, reconstruct, maintain, repair, operate, and regulate turnpike projects at such locations within the Commonwealth as may be determined by the Authority and the department and provided for in an Agreement or Agreements;

(2) To acquire sites abutting on any turnpike project, as a part of such project, and to construct or contract for the construction of buildings and appurtenances for service stations, garages, restaurants and other services and to lease the same to parties other than the department for any of such purposes (or, if leases to such parties cannot be made on acceptable terms, to operate or to lease to the department any or all of the same) in such manner and under such terms as may be provided in an Agreement;

(3) To issue turnpike revenue bonds of the Authority payable solely from the tolls, revenues, rentals and other funds pledged for their payment, for the purpose of paying all or any part of the cost of any one or more turnpike projects, and to refund any of its bonds;

(4) To fix and revise from time to time and charge and collect tolls for transit over each turnpike project constructed by it, except to the extent that such powers are surrendered to the department pursuant to a Lease;

(5) To combine for financing purposes any two or more turnpike projects;

(6) To lease as lessor any turnpike project or projects to the department as lessee, pursuant to the terms and provisions of a Lease;

(7) To establish and enforce rules and regulations for the use of any turnpike project, except during any period when such powers are provided to be exercised by the department pursuant to a Lease;

(8) Without reference to Chapter 56 of the Kentucky Revised Statutes, to acquire and hold in the name of the Authority real and personal property in the exercise of its powers and the performance of its functions and duties under this Act, and to dispose of the same, with the approval of the department;

(9) To designate the locations and establish, limit and control such points of ingress to and egress from each turnpike project as the Authority and the department may determine to be necessary or desirable to insure the proper operation and maintenance of such project, and to prohibit entrance to such project from any point or points not so designated;

(10) To make and enter into such contracts and agreements with the department and other parties as may be necessary or incidental to the performance of its duties and the execution of its powers under this Act.

(11) To employ consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in the judgment of the Authority, and to fix their compensation;

(12) To receive and accept from the Commonwealth, the department, and any federal agency, grants for or in aid of the construction of any turnpike project, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made;

(13) To expend any funds provided under the authority of this Act in advertising the facilities and services of a turnpike project or projects to the travelling public; and

(14) To do all acts and things necessary or convenient to carry out the powers expressly granted in this Act.

Section 6. Authority and department empowered to make Agreements for construction and financing of turnpike projects by the Authority, and for leasing thereof by the department on a biennial basis; terms and provisions. In the event that the Authority and the department shall deem it suitable, feasible, necessary and expedient that any turnpike project or projects be financed or refinanced by the Authority and constructed by the Authority or by the department on behalf of the Authority under this Act, the Authority and the department are empowered to make one or more written agreements with regard thereto in which, as to each such project, the parties may include provisions as to any one or more of the following:

(a) Identify the turnpike project to be financed by the Authority, setting forth in general terms, subject to necessary revision from time to time as the work progresses, the principal features including geographic location, terminal points, width of right-of-way, number of lanes in each direction, width of traffic lanes, width of shoulders, whether there shall be center division, location and nature of access points, tunnels, bridges, overpasses, underpasses, interchanges, entrance plazas, approaches, connecting highways, toll houses, service stations, garages, restaurants and other desired appurtenances;

(b) set forth what portions, if any, of the cost of the project have been or shall thereafter be contributed by the department from the funds and other resources available to it during the then current biennium and not previously obligated, which may include engineering and any other services performed by the staff of the department; and that the department, if deemed desirable, shall supervise construction on behalf of the Authority upon terms which are mutually acceptable;

(c) set forth what portions of the cost of the project shall or may be paid from the proceeds of bonds issued by the Authority under this Act;

(d) set forth any agreements of the Authority and the department with regard to planning, design, acquisition of property, soliciting construction bids, awarding construction contracts, issuing of work orders, and such other steps as may be necessary or incidental to the construction of the project, and authorizing and selling bonds for the project;

(e) agree that the project is intended to be and from and after the completion thereof will continuously constitute a link between parts of the highway system of the Commonwealth and will always be open to public travel, subject to exaction of such tolls as may be prescribed from time to time whenever and so long as the exaction of tolls may be authorized by law or required by the proceedings authorizing the issuance of the bonds or the trust indenture securing the same;

(f) agree that from and after the completion of the project the department will continuously pay all or any part of the cost of repairing, maintaining and operating the project as a public highway provided for the use of the Commonwealth, equitably belonging to the Commonwealth, and intended for ultimate unencumbered ownership by the Commonwealth;

(g) agree that upon the happening of stated events and the performance of stated conditions not inconsistent with law, the Authority shall convey the project to the Commonwealth;

(h) set forth generally or in detail any of the terms and provisions of any Lease proposed to be entered into by and between the Authority and the department under the provisions of Section 7 of this Act;

(i) agree that upon determination of the amount of bonds to be issued by the Authority for the project and the interest rate or rates the bonds are to bear, and prior to the delivery of any bonds to the purchaser thereof, the rental to be paid during the term of the Lease and each biennial term for which the Lease may be renewed shall be established according to a method of computation set forth therein and in the proposed Lease, and that the Authority and the department, each by authorized persons, shall execute such Lease and file the original or a signed counterpart thereof in the offices of the Authority, the department and the Secretary of State of the Commonwealth; and

(j) agree that the department shall set aside and, except as may be provided in any Lease entered into under the provisions of Section 7 of this Act, pay over to the Authority as revenues of the turnpike all motor fuel taxes collected by the department on gasoline and other motor fuels consumed on such turnpike, except the two-sevenths of said motor fuel taxes provided by KRS 138.220 to be set aside for the construction, reconstruction and maintenance of rural and secondary roads.

Section 7. Leases between the Authority and the department authorized; terms and provisions thereof. The Authority and the department are authorized and empowered to enter into a Lease or Leases with respect to any turnpike project or projects pursuant to any Agreement or Agreements made under the provisions of Section 6 of this Act. Any Lease may contain, in substance, any of the provisions set forth in this Section and such other provisions not inconsistent herewith as the Authority and the department may deem appropriate and desirable:

(a) that the Lease is for the remainder of the biennial period in which it is dated and executed, and is renewable at the option of the department for the succeeding biennial period, one at a time, until the final maturity date of the bond issue to which the Lease is related;

(b) that as to the cost of maintaining, repairing and operating the project, and not otherwise, the department is contractually bound not only for the remainder of the biennial period in which the Lease is dated and executed, but for the entire period of years until the final maturity of such bonds;

(c) that with respect to the biennial period in which the Lease is dated and executed, the department shall otherwise be firmly bound only (1) to contribute to the Authority such portions, if any, of the cost of the project as the Agreement prescribes shall be paid by the department, and (2) to pay to the Authority the rental prescribed for such biennium;

(d) that if the department shall fully perform all such obligations during such initial term of the Lease, it shall have an exclusive option to renew the Lease at the time and in the manner prescribed for the ensuing biennium, effective on the first day thereof; that the department shall not be or become in any way obligated to pay the rental stipulated for such biennium unless the Lease be so renewed; and that the department shall, upon any such renewal, be firmly bound to pay to the Authority the rental stipulated for such biennium as a general obligation of the department to be paid not only from the revenues of the project but also from any other available funds of the department not required by law or by previous binding contract to be devoted to some other purpose;

(e) in like manner and subject to the same conditions and provisions as are set forth in clause (d) above, if the department shall in such first ensuing biennium fully perform all its obligations and pay to the Authority the rental stipulated for such biennium, the department shall have another exclusive option to renew such Lease for another biennium; and so on for successive biennial terms until the final biennium for which the Lease may be renewed;

(f) that each such option of the department to renew the Lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the General Assembly at which appropriations shall have been made for the operation of the State Government for such succeeding biennial term, by so notifying the Authority in writing signed by the Commissioner of Highways and delivered in the office of the Authority to any officer thereof; provided, however, that such option shall be deemed automatically exercised, and the Lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the department's election not to renew shall have been delivered in the office of the Authority, to an officer thereof, before the close of business on the last working day in April immediately preceding the beginning of such succeeding biennium;

(g) that so long as the Lease is renewed from time to time and the department fully performs all its obligations as lessee, including payment of the rental stipulated in the Lease, (i) the revenues of the project shall be collected, segregated, distributed, deposited, secured, disbursed and accounted for in strict conformity with the proceedings and trust indenture of the Authority, and the aggregate of such revenues properly accounted for and deposited pursuant to said proceedings and trust indenture shall, if and to the extent provided in the Lease, be a credit against the department's rental or other obligations for the then current biennial term under the Lease, and (ii) any motor fuel taxes and surtaxes collected by the Commonwealth on gasoline and other motor fuels consumed on the project and set aside pursuant to an Agreement shall be applied as provided in said proceedings and trust indenture and shall, if and to the extent provided in the Lease, be a credit against the department's rental or other obligations for the then current biennial term under the Lease; and if such revenues and motor fuel taxes so provided in the Lease to be a credit against the rental or other obligations of the department under the Lease shall at any time appear to be insufficient to discharge such obligations in full when due and payable, the department shall estimate the rate of deficiency on a semi-annual basis conforming to the interest payment dates of the bonds of the Authority to which the Lease is related and shall pay the amount of such estimated deficiency to the Authority in equal monthly payments from any other available funds of the department not required by law or previous binding contract to be devoted to other purposes, subject to adjustment from estimated deficiencies to actual deficiencies at least thirty (30) days before each such semi-annual interest payment date; provided, however, that during the department's continuance in good standing in this respect the department shall have the right to establish, increase, decrease, suspend, or abolish the exaction of tolls, rates and charges for vehicular travel upon the project, but during any period when the department may elect to suspend or abolish the exaction of such tolls, rates and charges, it shall nevertheless continue to maintain in good operating condition, on a stand-by basis, all toll houses, toll gates, toll-registering and toll-collecting equipment, signs, lights, fences and other installations and facilities incident to, or used or useful in connection with, the exaction and collection of tolls, rates and charges, in order that the same may be resumed at any time, without delay;

(h) that in the event the Lease is not renewed in accordance with its terms, or in the event it is renewed and the department shall fail to perform in full its obligations thereunder, then (i) the department shall immediately be liable for the balance of the rental stipulated for the then current biennial term for which the Lease had previously been renewed, without requirement of notice or other action on the part of the Authority, and shall forthwith pay such balance to the Authority upon demand, (ii) the department shall forfeit its then current option to renew the Lease for the ensuing biennial term and its options for all future terms, (iii) the right to establish, increase, decrease, suspend, abolish the exaction of, or resume tolls, rates and charges for vehicular travel on the project shall wholly pass from the department to the Authority, and (iv) all motor fuel taxes collected by the Commonwealth on gasoline and other motor fuels consumed on the project, except the two-sevenths of said motor fuel taxes provided by KRS 138.220 to be set aside for the construction, reconstruction, and maintenance of rural and secondary roads, shall thereafter be set aside and paid over to the Authority as revenues of the project for deposit in the sinking fund or funds pledged to the payment of the bonds of the Authority; and

(i) in the event of the department's forfeiture of rights as provided in subsection (h) of this section, the same may not be reassumed, nor the department restored to good standing with options to renew the

Lease from time to time, except in such manner as shall not be inconsistent with the rights of the holders of outstanding bonds.

Section 8. Policing of Projects. Every project of the Authority shall be open to regular policing by the State Police as in the case of other public highways of the Commonwealth.

Section 9. Grade separations; relocation or vacation of existing highways; rights of access; regulations as to public utility facilities on or along turnpike project.

(1) The Authority shall have power to construct grade separations at intersections of any turnpike project or projects with public highways and to change and adjust the lines and grades of such highways so as to accommodate the same to the design of such grade separation. The cost of such grade separations and any damage incurred in changing and adjusting the lines and grades of highways shall be a part of the cost of such turnpike project.

(2) If the Authority shall find it necessary to change the location or grade of any portion of any public highway, it shall cause the same to be reconstructed at such location as the Authority and the department shall deem most favorable and of substantially the same type and in as good condition as the original highway. The cost of such reconstruction and any damage incurred in changing the location or grade of any such highway shall be a part of the cost of such turnpike project.

(3) Any public highway affected by the construction of any turnpike project may be vacated or relocated by the Authority, with the approval of the department, in the manner now provided by law for the vacation or relocation of public roads and any damages awarded on account thereof shall be a part of the cost of such project.

(4) The Authority and its authorized agents and employees may enter upon any lands, waters and premises in the Commonwealth for the purpose of making such surveys, soundings, drillings and examinations as they may deem necessary or convenient for the purpose of this Act, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending. The Authority shall make reimbursement to the owners for any actual damage resulting to such lands, waters and premises as a result of such activities on behalf of the Authority, and the same shall be a part of the cost of such project.

(5) The Authority shall have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances (herein called "public utility facilities") of any public utility in, on, along, over or

under any turnpike project. Whenever the Authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under any turnpike project should be relocated in such turnpike project, or should be removed from such turnpike project, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the order of the Authority; provided, however, that the cost and expense of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be a part of the cost of such turnpike project. In case of any such relocation or removal of facilities, the public utility owning or operating the same, its successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the new location or new locations, for a long period, and upon the same terms and conditions, as it had the right to maintain and operate such facilities in their former location or locations. No utility shall have the privilege of establishing its lines or properties within the right-of-way of a turnpike which has been constructed or is owned, maintained or operated by the Authority, except upon the conditions and terms prescribed by the Authority; however, a utility shall be permitted to connect its lines with service stations, garages, restaurants and other installations permitted by the Authority to exist upon the right-of-way of the turnpike.

(6) Costs and expenses incurred by the Authority as permitted by subsections (1), (2), (3), (4) and (5) of this section may, as provided in the applicable Agreement or Lease, (a) be paid by the Authority from the proceeds of revenue bonds issued by it for financing the turnpike project or projects, or (b) be paid by the department from available funds without reimbursement, or (c) be advanced by the department and reimbursed to it from the proceeds of bonds issued for the project or projects under this Act.

(7) The Commonwealth hereby consents to the use of all lands owned by it, including lands lying under water, which are deemed by the Authority to be necessary for the construction or operation of any turnpike project.

Section 10. Turnpike revenue bonds of the Authority.

(1) The Authority is hereby authorized to provide, at one time or from time to time, for the issuance of its turnpike revenue bonds for the purpose of paying all or any part of the cost of any one or more turnpike projects undertaken pursuant to an Agreement and Lease. The principal of and the interest on such bonds shall be payable solely from the funds provided for such payment. The bonds of any issue may be in one or more series and any one or more such series may enjoy equal or subordinate status with respect to the pledge

of funds from which they are payable, shall be dated, shall bear interest at such rate or rates not exceeding six percent per annum, shall mature at such time or times not exceeding forty years from their date or dates, all as may be provided by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth. The bonds shall be signed by the facsimile signature of the Chairman of the Authority, and the seal of the Authority or a facsimile thereof shall be affixed thereto and attested by the manual signature of the Secretary of the Authority, and any coupons attached thereto shall bear the facsimile signature of the Chairman of the Authority. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of this Act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of this Act, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six percent per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the turnpike project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the Authority may provide in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bond may in like manner be issued to provide the

amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the Authority shall have provided in the proceedings or trust indenture authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things, except as specifically required by this Act.

Section 11. Bonds of the Authority not debt of Commonwealth.

Revenue bonds issued by the Authority under the provisions of this Act shall not be deemed to constitute a debt of the department or of the Commonwealth or of any political subdivision thereof, or a pledge of the faith and credit of the department or of the Commonwealth or of any such political subdivision, but such bonds shall be payable solely from the funds provided therefor under the provisions of this Act. All such revenue bonds shall contain on the face thereof a statement to the effect that neither the Commonwealth nor the Authority shall be obligated to pay the same or the interest thereon except from revenues of the turnpike project for which they are issued, including rentals under a lease of such project to the Department of Highways of the Commonwealth for a biennium and subject to renewal for successive bienniums; and that neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

Section 12. Tolls for use of turnpike; contracts for utility and service facilities; disposition of toll revenues.

(1) The Authority, while having the right to control tolls under this Act or any Lease, and the department, while having such right under this Act or any such Lease, are hereby authorized to fix, revise, charge and collect tolls for the use of each turnpike project and the different parts or sections thereof.

(2) The Authority, with the approval of the department, is

hereby authorized to contract with any person, partnership, association or corporation desiring the use of any part of a project, including the right-of-way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, service stations, garages, stores, hotels, motels, and restaurants, or for any other purpose except for tracks for railroad or railway use, and to fix the terms, conditions, rents and rates of charges for such use. A sufficient number of service stations shall be authorized to be established in each service area along any such turnpike to permit reasonable competition by private business in the public interest.

(3) During any period when tolls are under the control of the Authority, such tolls shall be so fixed and adjusted in respect of the aggregate of tolls from the turnpike project or projects in connection with which the bonds of any issue shall have been issued under the provisions of this Act as to provide funds sufficient, with any other available funds, to pay (a) the cost of maintaining, repairing and operating such turnpike project or projects, unless such cost or any part thereof is being paid by the department as authorized in this Act, and (b) the principal of and the interest on such bonds as the same shall become due and payable, and to create reserves for such purposes. Such tolls shall not be subject to supervision or regulation by any other department, commission, board, bureau or agency of the Commonwealth. The tolls and all other revenues derived from the turnpike project or projects in connection with which the bonds of any issue shall have been issued, except such part thereof as may be necessary to pay such cost of maintenance, repair and operation and to provide such reserves therefor as may be provided for in the proceeding authorizing the issuance of such bonds or the trust indenture securing the same, shall be set aside in a sinking fund or funds which are hereby pledged to and charged with the payment of the principal of and the interest on such bonds as the same shall become due and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the tolls or other revenues or other moneys so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the proceedings nor any trust indenture by which a pledge is created need be filed or recorded except in the records of the Authority and the department. The use and disposition of moneys to the credit of any such sinking fund shall be subject to the provisions of the proceedings authorizing the issuance of such bonds or of such trust indenture. Except as may

otherwise be provided in such proceedings or in such trust indenture, any such sinking fund shall be a fund for all bonds provided to be payable therefrom without distinction or priority of one over another.

(4) Notwithstanding any of the foregoing provisions of this section, the department may, by separate proceedings ancillary to the proceedings of the Authority authorizing the issuance of revenue bonds or revenue refunding bonds under the provisions of this Act, covenant to pay all or any part of the cost of maintaining, repairing and operating any project constructed under the provisions of this Act, and the department may, in such proceedings, covenant to make up all or any part of any deficiency in the fund or funds pledged to and charged with the payment of the principal of and the interest on such bonds from any funds or tax revenues available for general purposes of the department and not required by law to be devoted to some other purpose, and, inasmuch as such project will have been constructed by agreement with the department for the use and benefit of the Commonwealth and will eventually become the property of the Commonwealth, any such covenant shall have the force of contract between the Commonwealth and the holders of such revenue bonds or revenue refunding bonds.

(5) Notwithstanding any of the foregoing provisions of this section, the Authority may, in the proceedings authorizing the issuance of revenue bonds or revenue refunding bonds for any turnpike project or projects under the provisions of this Act or in the trust agreement securing such bonds, pledge to the payment of such bonds all motor fuel taxes and surtaxes collected by the Commonwealth on gasoline and other motor fuels consumed on such project or projects (except the two-sevenths of said motor fuel taxes provided by KRS 138.220 to be set aside for construction, reconstruction and maintenance of rural and secondary roads) and paid over to the Authority by the department as revenues of such project or projects, and covenant to deposit such motor fuel taxes from time to time in the sinking fund or funds pledged to the payment of such bonds. In determining the amount of motor fuel consumed on any turnpike project the department shall divide the total miles traveled on such project by passenger automobiles, single unit trucks, and semi-trailer trucks and buses as determined by the department by the average number of miles per gallon of motor fuel consumed by each of those classes of motor vehicle on the following basis:

Passenger automobiles	15 miles per gallon
Single unit trucks	10 miles per gallon
Semi-trailer trucks and buses	5 miles per gallon

Section 13. Trust Indenture to secure bonds; rights and remedies of bond holders. In the discretion of the Authority, any bonds issued under the provisions of this Act may be secured by a trust indenture

by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. Such trust indenture or the proceedings providing for the issuance of such bonds may pledge or assign the tolls and other revenues to be received, but shall not convey or mortgage any turnpike project or any part thereof. Such trust indenture or proceedings may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Authority in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the turnpike project or projects in connection with which such bonds shall have been authorized, the rates of toll or the rentals to be charged, and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Any such trust indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust indenture or proceedings may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust indenture or proceedings may be treated as a part of the cost of the operation of the turnpike project or projects.

Section 14. Trust funds. All moneys received pursuant to the provisions of this Act, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this Act. The proceedings or the trust indenture shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this Act and such proceedings or trust indenture may provide.

Section 15. Remedies of bondholders. Any holder of bonds issued under the provisions of this Act or any of the coupons appertaining thereto, and the trustee under any trust indenture, except to the extent the rights herein given may be restricted by such trust indenture, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the Commonwealth or granted under this Act or under such trust indenture or the proceedings authorizing the issuance of such bonds, and may enforce and compel the performance of all duties required by this Act or by such trust indenture or proceedings to be performed by the Authority or by any officer or employees thereof, including the fixing, charging and collecting of tolls.

Section 16. Turnpike properties and bonds exempt from taxation. The exercise of the powers granted by this Act will be in all respects for the benefit of the people of the Commonwealth, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a turnpike project or projects by the Authority will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any turnpike project or any property acquired or used by the Authority under the provisions of this Act or upon the income therefrom, and the bonds issued under the provisions of this Act, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within the Commonwealth.

Section 17. Turnpike bonds eligible for purposes of investment or collateral. Bonds issued by the Authority under the provisions of this Act are hereby made securities in which all public officers and public bodies, agencies and instrumentalities of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

Section 18. Maintenance of turnpike; restoration of private property; donation of property by county or city; annual report of turnpike activities; audits; personnel of Highway Department and of Authority not to have interest in project.

(1) Except as may otherwise be provided in the Agreement or Lease relating thereto, each turnpike project when constructed and opened to traffic shall be maintained and kept in good condition and repair by the department under the terms and provisions of such Agreement or Lease, and shall be operated and maintained by such force of tolltakers, and other operating and maintenance employees, as the department may in its discretion employ, and the department shall not be reimbursed for the cost thereof unless expressly otherwise provided in such Agreement or Lease.

(2) All private property damaged or destroyed in carrying out

the powers granted by this Act shall be restored or repaired and placed in its original condition as nearly as practicable or adequate compensation made therefor out of funds provided under the authority of this Act.

(3) All counties, cities, towns and other political subdivisions and all public agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the Authority at its request, upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, agencies or commissions of the Commonwealth may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the Authority, including public roads and other real property already devoted to public use.

(4) On or before January 30 in each year the Authority shall make an annual report of its activities for the preceding calendar year to the Governor and to the General Assembly. Each such report shall set forth a complete operating and financial statement covering its operation during the year. The Authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. Such audits shall be deemed to be public records within the meaning of KRS 12.140.

(5) No officer or employee of the Authority or of the department shall have any interest, direct or indirect, in the sale or purchase of any bonds authorized by this Act. Violation of this provision shall be punishable by a fine of not more than one thousand dollars or by imprisonment for not more than one year, or both.

(6) Any person who uses any turnpike project and fails or refuses to pay the toll provided therefor shall be punished by a fine of not more than one hundred dollars ($100.00) or by imprisonment for not more than thirty (30) days, or both, and in addition thereto the Authority or the department, whichever has the right to collect such toll, shall have a lien upon the vehicle driven by such person for the amount of such toll and may take and retain possession thereof until the amount of such toll and all charges and penalties in connection therewith shall have been paid.

Section 19. Acquisition of property; condemnation; possession; special provisions for condemning railroad property.

(1) The Authority is hereby authorized and empowered to acquire by purchase, whenever it shall deem such purchase ex-

pedient, solely from funds provided pursuant to this Act, such lands, structures, property, rights, rights-of-way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within the Commonwealth, as it may deem necessary or convenient for the construction and operation of any project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the Authority.

(2) Whenever a reasonable price cannot be agreed upon, or whenever the owner is legally incapacitated or is absent, unknown or unable to convey valid title, the Authority is hereby authorized and empowered to acquire by condemnation or by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, of any person, copartnership, association, railroad, public service, public utility or other corporation, or municipality or political subdivision, deemed necessary or convenient for the construction or the efficient operation of any project or necessary in the restoration of public or private property damaged or destroyed. Any such proceedings shall be conducted, and the compensation to be paid shall be ascertained and paid, in the manner provided by the Constitution and laws of the Commonwealth then applicable which relate to condemnation or to the exercise of the power of eminent domain by the department. Title to any property acquired by the Authority shall be taken in the name of the Authority. In any condemnation proceedings the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the Authority and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against any loss or damage by reason of the failure of the Authority to accept and pay for the property, but neither such undertaking or security nor any act or obligation of the Authority shall impose any liability upon the Commonwealth except as may be paid from the funds provided under this Act.

(3) If the owner, lessee or occupier of any property to be condemned shall refuse to remove his personal property therefrom or give up his possession thereof, the Authority may proceed to obtain possession in any manner now or hereafter provided by law.

(4) With respect to any railroad property or right-of-way upon which railroad tracks are located, any powers of condemnation or of eminent domain may be exercised to acquire only an easement interest therein which shall be located either sufficiently far above or sufficiently far below the grade of any railroad track or tracks upon such railroad property so that neither the proposed project

nor any part thereof, including any bridges, abutments, columns, supporting structures and appurtenances, nor any traffic upon it, shall interfere in any manner with the use, operation or maintenance of the trains, tracks, works or appurtenances or other property of the railroad nor endanger the movement of the trains or traffic upon the tracks of the railroad. Prior to the institution of condemnation proceedings for such easement over or under such railroad property or right-of-way, plans and specifications of the proposed project showing compliance with the above mentioned above or below grade requirements and showing sufficient and safe plans and specifications of such overhead or undergrade structure and appurtenances shall be submitted to the railroad for examination and approval. If the railroad fails or refuses within thirty days to approve the plans and specifications so submitted, the matter shall be submitted to the Public Service Commission of Kentucky whose decision arrived at after due consideration in accordance with its usual procedure, shall be final as to the sufficiency and safety of such plans and specifications and as to such elevations or distances above or below the tracks. Said overhead or undergrade structure and appurtenances shall be constructed only in accordance with such plans and specifications and in accordance with such elevations or distances above or below the tracks so approved by the railroad or the Public Service Commission as the case may be. A copy of the plans and specifications approved by the railroad or the Public Service Commission shall be filed as an exhibit with the petition for condemnation.

Section 20. Refunding Bonds; additional bonds. The Authority is hereby authorized to provide for the issuance of its turnpike revenue refunding bonds for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if the Authority shall so determine, for the additional purpose of constructing improvements, extensions, or enlargements of the turnpike project or projects in connection with which the bonds to be refunded shall have been issued. The Authority is further authorized to provide for the issuance of its turnpike revenue bonds for the combined purpose of (a) refunding any bonds then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and (b) paying all or any part of the cost of any additional turnpike project or projects. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the Authority in respect of the same, shall be governed by the provisions of this Act in so far as the same may be applicable.

Section 21. Transfer of turnpike to highway system after retirement of bonds. Except as hereinafter provided in this section, when all bonds issued under the provisions of this Act in connection with any turnpike project or projects and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such project or projects, if then in good condition and repair, shall be conveyed by the Authority to the Commonwealth and shall become part of the state highway system and shall thereafter be maintained by the department free of tolls; provided, however, that the department may, in any proceedings or trust indenture authorizing or securing bonds under the provisions of this Act, provide for combining for financing purposes any two or more turnpike projects theretofore constructed or thereafter to be constructed, and for the reimposition or continuance of tolls on each such turnpike project until all such bonds and the interest thereon shall have been paid or a sufficient amount for such purposes shall have been set aside in trust for the benefit of the bondholders.

Section 22. Preliminary expenses of turnpike project. The department is hereby authorized in its discretion to expend such moneys as may be necessary for the study of any turnpike project or projects and to use its engineering and other forces and employ consulting engineers and traffic engineers for the purpose of effecting such study, and to pay for such additional engineering and traffic and other expert studies as it may deem expedient. All such expenses incurred by the department prior to the issuance of turnpike revenue bonds under the provisions of this Act shall be paid by the department and charged to the appropriate turnpike project or projects, and the department shall keep proper records and accounts showing each amount so charged. Upon the sale of turnpike revenue bonds of the Authority for any turnpike project or projects, the funds so expended by the department in connection with such project or projects may be reimbursed by the Authority to the department from the proceeds of such bonds if provision to that effect is made in the proceedings or trust indenture authorizing and securing such bonds.

Section 23. Turnpike Authority law is alternative. This Act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing; provided, however, that the issuance of turnpike revenue bonds or turnpike revenue refunding bonds by the Authority under the provisions of this Act need not comply with the requirements of any other law applicable to the issuance of bonds.

Section 24. Constitutional construction. The provisions of this Act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions. It is hereby declared to be the legislative intent that this Act would have been adopted had any such unconstitutional provision not been included therein.

Section 25. Declaration of Emergency. It is hereby determined that the public safety and general welfare urgently require the immediate undertaking of one or more turnpike projects, that in the construction and financing thereof it is important that the alternative course of procedure provided by this Act be available for use, and that unless this Act is made effective immediately it will not be useful during a substantial portion of the 1960 construction season. Accordingly, it is hereby declared that an emergency exists with reference to the matters embraced in this Act, and this Act shall become effective upon its approval by the Governor.

SB 224, AN ACT relating to Turnpikes and their financing; amending and re-enacting KRS 177.390, 177.400, 177.410, 177.430, 177.450, 177.470,177.480, 177.520, 177.530, 177.550, and 177.560; and declaring an emergency.

WHEREAS, the General Assembly considers it to be essential in the public interest that the construction and financing of limited access toll roads or turnpikes be expedited and facilitated in order to supplement other highway and road programs and afford acceptable avenues of commerce and inter-communication by vehicular traffic among the several sections of the Commonwealth; and

WHEREAS, the development of express highways or super highways, wherever suitable and practicable, including, when feasible and necessary, safety devices such as center division, ample shoulder width, longsight distances and two or more traffic lanes in each direction with grade separations at intersections with other highways and railroads, will facilitate vehicular traffic, reduce hazards, attract tourist travel, give better access to State Parks and scenic areas, encourage the location of new industries in the Commonwealth and otherwise contribute to the public safety and general welfare; and to these ends it is deemed appropriate and desirable to amend certain sections of KRS 177.390 to 177.570, in such manner as to profit by the experience of Kentucky and other states in the construction, development, operation, maintenance and financing of such projects in recent years; now, therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.390 is amended and re-enacted to read as follows:

177.390 Definitions for KRS 177.390 to 177.570. As used in KRS 177.390 to 177.570, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) The word "department" shall mean the Department of Highways, or, if said department shall be abolished, the department, board, body or commission succeeding to the principal functions thereof or to whom the powers given by KRS 177.390 to 177.570 to the department shall be given by law.

(2) The word "project" or the words "turnpike project" shall mean any express highway or superhighway or such part or parts thereof as may be constructed under the provisions of KRS 177.390 to 177.570 by the department, including all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, connecting highways, toll houses, service stations, garages, restaurants, and administration, storage and other buildings and facilities which the department may deem necessary for the operation of such project, together with all property, rights, easements and interests which may be acquired by the department for the construction or the operation of such project.

(3) The word "cost" as applied to a turnpike project shall embrace the cost of construction, the cost of the acquisition of all land, right-of-ways, property, rights, easements and interests acquired by the department for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, provision for working capital in such amount as the department shall determine to be reasonable, interest prior to and during construction and, if deemed advisable by the department, for a period not exceeding two years after completion of construction, cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any such project, administrative expense, and such other expense as may be necessary or incident to the construction of the project, the financing of such construction and the placing of the project in operation. Any obligation or expense heretofore or hereafter incurred by the department for traffic surveys, borings, preparation of plans and specifications, engineering, and other services in connection with the construction of a project shall be regarded as a part of the cost of such project and may be reimbursed to the Commonwealth out of the proceeds of turnpike revenue bonds hereinafter authorized in KRS 177.400 to 177.570.

(4) The words "public highways" shall include all public highways, roads and streets in the Commonwealth, whether maintained by the Commonwealth or by any county, city, town or other political subdivision.

(5) The word "bonds" or the words "turnpike revenue bonds" shall mean revenue bonds of the Commonwealth authorized under the provisions of KRS 177.390 to 177.570.

(6) The word "owner" shall include all individuals, copartnerships, associations or corporations having any title or interest in any property, rights, easements and interests authorized to be acquired by KRS 177.390 to 177.570.

Section 2. KRS 177.400 is amended and re-enacted to read:

177.400 Turnpike projects authorized. In order to provide for the construction of modern express highways or superhighways embodying safety devices, including, when determined by the Department to be feasible and necessary, center division, ample shoulder widths, longsight distances, two or more lanes in each direction and grade separations at intersections with other highways and railroads, and thereby facilitate vehicular traffic, remove many of the present handicaps and hazards on the congested highways in the Commonwealth, and promote the agricultural and industrial development of the Commonwealth, the Department of Highways is hereby authorized and empowered to construct, maintain, repair and operate turnpike projects, and to issue revenue bonds of the Commonwealth to finance such projects.

Section 3. KRS 177.410 is amended and re-enacted to read:

177.410 General powers of Department of Highways as to turnpike projects. The department is hereby authorized and empowered:

(1) To construct, reconstruct, maintain, repair, operate, regulate and police turnpike projects at such locations within the Commonwealth as may be determined by the department and approved by the Governor;

(2) To acquire sites abutting on any turnpike project, and to construct or contract for the construction of buildings and appurtenances for service stations, garages, restaurants and other services and to lease the same to others for any of such purposes (or, if leases cannot be made on acceptable terms, to operate any and all of the same) in such manner and under such terms as the department may determine;

(3) To issue turnpike revenue bonds of the Commonwealth, payable solely from the tolls, revenues and other funds pledged for their payment, for the purpose of paying all or any part of the cost of any one or more turnpike projects, and to refund any of its bonds, all as provided in KRS 177.390 to 177.570;

(4) To fix and revise from time to time and charge and collect tolls for transit over each turnpike project constructed by it;

(5) To combine for financing purposes any two or more turnpike projects;

(6) To establish rules and regulations for the use of any turnpike project;

(7) To acquire, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties under KRS 177.390 to 177.570, without reference to Chapter 56 of the Kentucky Revised Statutes;

(8) To designate the locations and establish, limit and control such points of ingress to egress from each turnpike project as the department may determine to be necessary or desirable in the judgment of the department to insure the proper operation and maintenance of such project, and to prohibit entrance to such project from any point or points not so designated;

(9) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under KRS 177.390 to 177.570;

(10) To employ consulting engineers, atttorneys, accountants, construction and financial experts, superintendents, managers, and such other employes and agents as may be necessary in its judgment, and to fix their compensation;

(11) To receive and accept from any federal agency grants for or in aid of the construction of any turnpike project, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made;

(12) To expend any funds provided under the authority of KRS 177.390 to 177.570 in advertising the facilities and services of a turnpike project or projects to the travelling public; and

(13) To do all acts and things necessary or convenient to carry out the powers expressly granted in KRS 177.390 to 177.570.

Section 4. KRS 177.430 is amended and re-enacted to read:

177.430 Grade separations; relocation or vacation of existing highway; rights of access; regulations as to public utility facilities on or along turnpike project.

(1) The department shall have power to construct grade separations at intersections of any turnpike project with public highways and to change and adjust the lines and grades of such highways so as to accommodate the same to the design of such grade separation. The cost of such grade separations and any damage incurred in changing and adjusting the lines and grades of such highways shall

be ascertained and paid by the department as a part of the cost of such turnpike project.

(2) If the department shall find it necessary to change the location of any portion of any public highway, it shall cause the same to be reconstructed at such location as the department shall deem most favorable and of substantially the same type and in as good condition as the original highway. The cost of such reconstruction and any damage incurred in changing the location of any such highway shall be ascertained and paid by the department as a part of the cost of such turnpike project.

(3) Any public highway affected by the construction of any turnpike project may be vacated or relocated by the department in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the department as a part of the cost of such project.

(4) In addition to the foregoing powers the department and its authorized agents and employes may enter upon any lands, waters and premises in the Commonwealth for the purpose of making surveys, soundings, drillings and examinations as they may deem necessary or convenient for the purposes of KRS 177.390 to 177.570, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending. The department shall make reimbursement for any actual damage resulting to such lands, waters and premises as a result of such activities.

(5) The department shall also have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances (herein called "public utility facilities") of any public utility in, on, along, over or under any turnpike project. Whenever the department shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under any turnpike project should be relocated in such turnpike project, or should be removed from such turnpike project, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the order of the department; provided, however, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the department as a part of the cost of such turnpike project. In case of any such relocation or removal of facilities, the public utility owning or operating the same, its successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the

new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate such facilities in their former location or locations. No utility shall have the privilege of establishing its lines or properties within the right-of-way of a turnpike, except upon the conditions and terms prescribed by the department; however, a utility shall be permitted to connect its lines with service stations, garages, restaurants and other installations permitted to exist upon the right-of-way of the turnpike.

(6) Costs and expenses paid by the department as permitted by subsections (1), (2), (3), and (5) of this section may in the discretion of the department be reimbursed to it from the proceeds of bonds issued for the project or projects under KRS 177.390 to 177.570 if so provided in the proceedings or trust indenture pursuant to which such bonds are issued.

(7) The Commonwealth hereby consents to the use of all lands owned by it, including lands lying under water, which are deemed by the department to be necessary for the construction or operation of any turnpike project.

Section 5. KRS 177.450 is amended and re-enacted to read:

177.450 Turnpike revenue bonds.

(1) The department is hereby authorized to provide, at one time or from time to time, for the issuance of turnpike revenue bonds of the Commonwealth for the purpose of paying all or any part of the cost of any one or more turnpike projects. The principal of and the interest on such bonds shall be payable solely from the funds provided in KRS 177.390 to 177.570 for such payment. The bonds of any issue may be in one or more series and any one or more of such series may enjoy equal or subordinate status with respect to the pledge of funds from which they are payable, shall be dated, shall bear interest at such rate or rates not exceeding six percent per annum, shall mature at such time or times not exceeding forty years from their date or dates, all as may be determined by the department, and may be made redeemable before maturity, at the option of the department, at such price or prices and under such terms and conditions as may be fixed by the department prior to the issuance of the bonds. The department shall determine the form of the bonds, including any interest coupon to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth. The bonds shall be signed by the Commissioner of Highways, and the great seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the Secretary of State by his facsimile signature, and any coupons attached thereto shall bear the facsimile signature of said Commissioner of Highways. In case

any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of KRS 177.390 to 177.570 shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments laws of the Commonwealth. The bonds may be issued in coupon or in registered form, or both, as the department may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Department may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of KRS 177.390 to 177.570, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six percent per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the turnpike project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the department may provide in the proceedings authorizing the issuance of such bonds or in the trust agreement mentioned in KRS 177.460 securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the department shall have provided in the proceedings or trust agreement authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the department may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The department may also provide for the replacement of

any bonds which shall become mutilated or shall be destroyed or lost. Bonds may be issued under the provisions of KRS 177.390 to 177.570 without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by KRS 177.390 to 177.570.

Section 6. KRS 177.470 is amended and re-enacted to read:

177.470 Bonds not debt of Commonwealth. Revenue bonds issued under the provisions of KRS 177.390 to 177.570 shall not be deemed to constitute a debt of the Commonwealth or of any political subdivision thereof or a pledge of the faith and credit of the Commonwealth or of any such political subdivision, but such bonds shall be payable solely from the funds provided therefor in KRS 177.390 to 177.570. All such revenue bonds shall contain on the face thereof a statement to the effect that the Commonwealth shall not be obligated to pay the same or the interest thereon except from revenues of the project or projects for which they are issued and, if so provided in the proceedings or trust agreement authorizing or providing for the issuance of such bonds, from other available funds pledged to the payment thereof, and that neither the faith and credit nor the taxing power of the Commonwealth is pledged to the payment of the principal of or the interest on such bonds.

Section 7. KRS 177.480 is amended and re-enacted to read:

177.480 Tolls for use of turnpikes; contracts for utility and service facilities; disposition of toll revenues; maintenance of turnpike by Highway Department.

(1) The department is hereby authorized to fix, revise, charge and collect tolls for the use of each turnpike project and the different parts or sections thereof, and to contract with any person, partnership, association or corporation desiring the use of any part thereof, including the right-of-way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, service stations, garages, stores, hotels and restaurants, or for any other purpose except for tracks for railroad use, and to fix the terms, conditions, rents and rates of charges for such use. A sufficient number of service stations shall be authorized to be established in each service area along any such turnpike to permit reasonable competition by private business in the public interest.

(2) Tolls shall be so fixed and adjusted in respect of the aggregate of tolls from the turnpike project or projects in connection with which the bonds of any issue shall have been issued under the provisions of KRS 177.390 to 177.570 as to provide funds sufficient, with any other available funds, to pay (a) the cost of maintaining, repairing, operating, regulating and policing such turnpike project or projects,

unless such cost or any part thereof has been assumed by the department as provided in this section, and (b) the principal of and the interest on such bonds as the same shall become due and payable, and to create reserves for such purposes. Such tolls shall not be subject to supervision or regulation by any other department, commission, board, bureau or agency of the Commonwealth. The tolls and all other revenues derived from the turnpike project or projects in connection with which the bonds of any issue shall have been issued, except such part thereof as may be necessary to pay such cost of maintenance, repair, operation, regulation and policing, and to provide such reserves therefor as may be provided for in the proceedings authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set aside in a sinking fund or funds which are hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the tolls or other revenues or other moneys so pledged and thereafter received by the department shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the department, irrespective of whether such parties have notice thereof. Neither the proceedings nor any trust agreements by which a pledge is created need be filed or recorded except in the records of the department. The use and disposition of moneys to the credit of any such sinking fund shall be subject to the provisions of the proceedings authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such proceedings or in such trust agreement, any such sinking fund shall be a fund for all bonds provided to be payable therefrom without distinction or priority of one over another.

(3) Notwithstanding any of the foregoing provisions of this section, the department may, in the proceedings authorizing the issuance of revenue bonds or revenue refunding bonds under the provisions of KRS 177.390 to 177.570 or in the trust agreement securing such bonds, covenant to pay all or any part of the cost of maintaining, repairing, operating, regulating and policing any project constructed under the provisions of KRS 177.390 to 177.570, and the department may, in such proceedings or trust agreement, covenant to make up all or any part of any deficiency in the fund or funds pledged to and charged with the payment of the principal of and the interest on such bonds from any funds or tax revenues available for general purposes of the department and not required by law to be devoted to some other purpose, and, inasmuch as such project will at all times belong to the Commonwealth, any such covenant will have the force

of contract between the Commonwealth and the holders of such revenue bonds or revenue refunding bonds.

(4) Notwithstanding any of the foregoing provisions of this section, the department may, in the proceedings authorizing the issuance of revenue bonds or revenue refunding bonds under the provisions of KRS 177.390 to 177.570 or in the trust agreement securing such bonds, pledge to the payment of such bonds all motor fuel taxes and surtaxes collected by the Commonwealth on gasoline and other motor fuels consumed on any project financed under the provisions of KRS 177.390 to 177.570, except the two-sevenths of said motor fuel taxes provided by KRS 138.220 to be set aside for the construction, reconstruction and maintenance of rural and secondary roads, and covenant to deposit such motor fuel taxes and surtaxes from time to time in the sinking fund or funds pledged to the payment of such bonds. In determining the amount of motor fuel consumed on any turnpike project the department shall divide the total miles travelled on such project by passenger automobiles, single unit trucks, and semi-trailer trucks and buses as determined by the department by the average number of miles per gallon of motor fuel consumed by each of those classes of motor vehicles on the following basis:

Passenger automobiles	15 miles per gallon
Single unit trucks	10 miles per gallon
Semi-trailer trucks and buses	5 miles per gallon

Section 8. KRS 177.520 is amended and re-enacted to read:

177.520 Turnpike bonds valid for purposes of investment or collateral. Bonds issued by the department under the provisions of KRS 177.390 to 177.570 are hereby made securities in which all public officers and public bodies, agencies and instrumentalities of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

Section 9. KRS 177.530 is amended and re-enacted to read:

177.530 Maintenance of turnpike; restoration of private property; donation of property by county or city; annual report of turnpike activities; audits; personnel of Highway Department not to have interest in project; penalty for failure to pay toll; lien on vehicle.

(1) Each turnpike project when constructed and opened to

traffic shall be maintained and kept in good condition and repair by the department, and shall be operated and maintained by such force of toll-takers and other operating and maintenance employees and, unless policed by the Kentucky State Police as an ordinary incident to the performance of statutory functions, shall be policed by the department by such force of police, as the department may in its discretion employ, and the department may be reimbursed for the cost thereof unless it has previously assumed such cost as provided in KRS 177.480.

(2) All private property damaged or destroyed in carrying out the powers granted by KRS 177.390 to 177.570 shall be restored or repaired and placed in its original condition as nearly as practicable or adequate compensation made therefor out of funds provided under the authority of KRS 177.390 to 177.570.

(3) All counties, cities, towns and other political subdivisions and all public agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the department at its request upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, agencies or commissions of the Commonwealth may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the department, including public roads and other real property already devoted to public use.

(4) On or before January 30 in each year the department shall make an annual report of its activities for the preceding calendar year to the Governor and to the General Assembly. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The department shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. Such audits shall be deemed to be public records within the meaning of KRS 12.140.

(5) No officer or employe of the department shall have any interest, direct or indirect, in the sale or purchase of any bonds authorized by KRS 177.390 to 177.570. Violation of this provision shall be punishable by a fine of not more than one thousand dollars or by imprisonment for not more than one year, or both.

(6) Any person who uses any turnpike project and fails or refuses to pay the toll provided therefor shall be punished by a fine of not more than one hundred dollars ($100.00) or by imprisonment for not more than thirty (30) days, or both, and in addition thereto the

department shall have a lien upon the vehicle driven by such person for the amount of such toll and may take and retain possession thereof until the amount of such toll and all charges and penalties in connection therewith shall have been paid.

Section 10. KRS 177.550 is amended and re-enacted to read:

177.550 Transfer of turnpike to highway system after retirement of bonds. Except as hereinafter provided in this section, when all bonds issued under KRS 177.390 to 177.570 in connection with any turnpike project or projects and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such project or projects, if then in good condition and repair, shall become part of the state highway system and shall thereafter be maintained by the department free of tolls; provided, however, the department may, in any proceedings or trust agreement authorizing or securing bonds under the provisions of KRS 177.390 to 177.570, provide for combining for financing purposes any two or more turnpike projects theretofore constructed or thereafter to be constructed, and for the reimposition or continuance of tolls on each such turnpike project until all such bonds and the interest thereon shall have been paid or a sufficient amount for such purposes shall have been set aside in trust for the benefit of the bondholders.

Section 11. KRS 177.560 is amended and re-enacted to read:

177.560 Preliminary expenses of turnpike project. The department is hereby authorized in its discretion to expand such moneys as may be necessary for the study of any turnpike project or projects and to use its engineering and other forces and employ consulting engineers and traffic engineers for the purpose of effecting such study, and to pay for such additional engineering and traffic and other expert studies as it may deem expedient. All such expenses incurred by the department prior to the issuance of turnpike revenue bonds under the provisions of KRS 177.390 to 177.570 shall be paid by the department and charged to the appropriate turnpike project or projects, and the department shall keep proper records and accounts showing each amount so charged. Upon the sale of turnpike revenue bonds for any turnpike project or projects, the funds so expended by the department in connection with such project or projects may be reimbursed to the department from the proceeds of such bonds if provision to that effect is made in the proceedings or trust agreement under which such bonds are issued.

Section 12. Declaration of Emergency.

It is hereby determined that the public safety and general welfare urgently require the immediate undertaking of one or more turnpike projects and that unless the department is authorized to proceed at once, a substantial portion of the favorable construction season of 1960 will be dissipated. Accordingly an emergency is hereby declared to exist with reference to KRS 177.390 to 177.570 and this Act shall become effective upon its approval by the Governor.

SB 225, AN ACT relating to corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No corporation shall hereafter plead or set up the taking of more than the legal rate of interest, as a defense to any action brought against it to recover damages on, or enforce payment of, or other remedy on, any mortgage, bond, note or other obligation, executed or assumed by such corporation: Provided, that this Act shall not apply to any action which is now pending or to any suit or action instituted subsequent to the effective date of this Act upon any mortgage, bond, note or other obligation executed or assumed by such corporation prior to the effective date of this Act.

Section 2. The provisions of subsection (1) of this section shall not apply to a corporation, the principal asset of which shall be the ownership of a one or two family dwelling.

HB 181, AN ACT appropriating money out of the General Expenditure Fund in the State Treasury for the purpose of paying certain claims which have been duly audited and approved according to law but which have not been paid because of the lapsing or insufficiency of former appropriations against which said claims were chargeable.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is appropriated out of the General Expenditure Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law but which have not been paid because of lapsing of former appropriations against which said claims were chargeable, the sum hereinafter specified:

1.	Smith & Lindsey, Inc. McClure Building Frankfort, Kentucky	$194.17
2.	Ashland Oil & Refining Co. Ashland, Kentucky	$147.95
3.	Andrew M. Moore, M.D. 108 East Maxwell Street Lexington, Kentucky	$150.00

4.	Porter Mayo, M.D. 203 West Second Street Lexington, Kentucky	$ 85.00
5.	J. O. Van Meter, Jr., M.D. 288 South Limestone Lexington, Kentucky	$ 17.50
6.	Good Samaritan Hospital Lexington, Kentucky	$920.15
7.	Raymond M. Slaubaugh, Jr., M.D. 115 East Maxwell Street Lexington, Kentucky	$ 95.00
8.	E. H. Strauss Company Delaware Avenue Lexington, Kentucky	$219.00
9.	Master Mechanics Company 2454 Glenmary Avenue Louisville 4, Kentucky	$368.80
10.	J. B. Blanton Company, Inc. Frankfort, Kentucky	$642.07
11.	Westinghouse Electric Supply Co. 1251 Diamond Avenue Evansville, Indiana	$192.50
12.	Minnesota Mining & Mfg. Co. 900 Bush Avenue St. Paul 6, Minnesota	$2,208.24

Section 2. The persons and companies named above having in good faith furnished the services, supplies, and materials enumerated in Section 1 and the Commonwealth having received the benefits of same an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

HB 209, AN ACT relating to extradition of fugitives from justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Uniform Criminal Extradition Act.

Section 2. Where appearing in this Act, the term "Governor" includes any person performing the functions of Governor by authority of the law of this state. The term "Executive Authority" includes the Governor, and any person performing the functions of Governor in a state other than this state, and the term "State," referring to a state other than this state, includes any other state or territory, organized or unorganized, of the United States of America.

Section 3. Subject to the provisions of this Act, the provisions of the Constitution of the United States controlling, and any and all acts of Congress enacted in pursuance thereof, it is the duty of the Governor of this state to have arrested and delivered up to the Executive Authority of any other state of the United States any person charged in that state with treason, felony, or other crime, who has fled from justice and is found in this state.

Section 4. No demand for the extradition of a person charged with crime in another state shall be recognized by the Governor unless in writing alleging, except in cases arising under Section 7, that the accused was present in the demanding state at the time of the commission of the alleged crime, and that thereafter he fled from the state, and accompanied by a copy of an indictment found or by information supported by affidavit in the state having jurisdiction of the crime, or by a copy of an affidavit made before a magistrate there, together with a copy of any warrant which was issued thereupon; or by a copy of a judgment of conviction or of a sentence imposed in execution thereof, together with a statement by the Executive Authority of the demanding state that the person claimed has escaped from confinement or has broken the terms of his bail, probation or parole. The indictment, information, or affidavit made before the magistrate must substantially charge the person demanded with having committed a crime under the law of that state; and the copy of indictment, information, affidavit, judgment of conviction or sentence must be authenticated by the Executive Authority making the demand.

Section 5. When a demand shall be made upon the Governor of this state by the Executive Authority of another state for the surrender of a person so charged with crime, the Governor may call upon the Attorney General or any other officer of this state to investigate or assist in investigating the demand, and to report to him the situation and circumstances of the person so demanded, and whether he ought to be surrendered.

Section 6. (1) When it is desired to have returned to this state a person charged in this state with a crime, and such person is imprisoned or is held under criminal proceedings then pending against him in another state, the Governor of this state may agree with the Executive Authority of such other state for the extradition of such person before the conclusion of such proceedings or his term of sentence in such other state, upon condition that such person be returned to such other state at the expense of this state as soon as the prosecution in this state is terminated.

(2) The Governor of this state may also surrender on demand of the Executive Authority of any other state any person in this state who is charged in the manner provided in Section 4 of this Act with having violated the laws of the state whose Executive Authority is

making the demand, even though such person left the demanding state involuntarily.

Section 7. The Governor of this state may also surrender, on demand of the Executive Authority of any other state, any person in this state charged in such other state in the manner provided in Section 4 with committing an act in this state, or in a third state, intentionally resulting in a crime in the state whose Executive Authority is making the demand, and the provisions of this act not otherwise inconsistent, shall apply to such cases, even though the accused was not in that state at the time of the commission of the crime, and has not fled therefrom.

Section 8. If the Governor decides that the demand should be complied with, he shall sign a warrant of arrest, which shall be sealed with the state seal, and be directed to any peace officer or other person whom he may think fit to entrust with the execution thereof. The warrant must substantially recite the facts necessary to the validity of its issuance.

Section 9. Such warrant shall authorize the peace officer or other person to whom directed to arrest the accused at any time and any place where he may be found within the state and to command the aid of all peace officers or other persons in the execution of the warrant, and to deliver the accused, subject to the provisions of this Act, to the duly authorized agent of the demanding state.

Section 10. Every such peace officer or other person empowered to make the arrest, shall have the same authority, in arresting the accused, to command assistance therein, as peace officers have by law in the execution of any criminal process directed to them, with like penalties against those who refuse their assistance.

Section 11. No person arrested upon such warrant shall be delivered over to the agent whom the Executive Authority demanding him shall have appointed to receive him unless he shall first be taken forthwith before a judge of a circuit court, county court, or police court in this state, who shall inform him of the demand made for his surrender and of the crime with which he is charged, and that he has the right to demand and procure legal counsel; and if the prisoner or his counsel shall state that he or they desire to test the legality of his arrest, the judge of such court shall fix a reasonable time to be allowed him within which to apply for a writ of habeas corpus. When such writ is applied for, notice thereof, and of the time and place of hearing thereon, shall be given to the prosecuting attorney of the county in which the arrest is made and in which the accused is in custody, and to the said agent of the demanding state.

Section 12. Any officer who shall deliver to the agent for extradition of the demanding state a person in his custody under the Governor's warrant, in wilfull disobedience to Section 11, shall be guilty of a misdemeanor and, on conviction, shall be fined not less than one hundred nor more than one thousand dollars or imprisoned in the county jail not less than ten nor more than thirty days, or both.

Section 13. (1) The officer or persons executing the Governor's warrant of arrest, or the agent of the demanding state to whom the prisoner may have been delivered may, when necessary, confine the prisoner in the jail of any county or city through which he may pass; and the keeper of such jail must receive and safely keep the prisoner until the officer or person having charge of him is ready to proceed on his route, such officer or person being chargeable with the expense of keeping.

(2) The officer or agent of a demanding state to whom a prisoner may have been delivered following extradition proceedings in another state, or to whom a prisoner may have been delivered after waiving extradition in such other state, and who is passing through this state with such a prisoner for the purpose of immediately returning such prisoner to the demanding state may, when necessary, confine the prisoner in the jail of any county or city through which he may pass; and the keeper of such jail must receive and safely keep the prisoner until the officer or agent having charge of him is ready to proceed on his route, such officer or agent, however, being chargeable with the expense of keeping; provided, however, that such officer or agent shall produce and show to the keeper of such jail satisfactory written evidence of the fact that he is actually transporting such prisoner to the demanding state after requisition by the Executive Authority of such demanding state. Such prisoner shall not be entitled to demand a new requisition while in this state.

Section 14. Whenever any person within this state shall be charged on the oath of any credible person before any judge or magistrate of this state with the commission of any crime in any other state and, except in cases arising under Section 7, with having fled from justice, or with having been convicted of a crime in that state and having escaped from confinement, or having broken the terms of his bail, probation or parole, or whenever complaint shall have been made before any judge or magistrate in this state setting forth on the affidavit of any credible person in another state that a crime has been committed in such other state and that the accused has been charged in such state with the commission of the crime, and, except in cases arising under Section 7, has fled from justice, or with having been convicted of a crime in that state and having escaped from confinement, or having broken the terms of his bail, probation or parole and is believed to be in this state, the judge or magistrate shall issue a warrant directed to any peace officer commanding him to apprehend the person named therein, wherever he may be found in this state, and to bring him before the circuit judge, the judge of the county court or the police judge of a city in the county in which he was arrested who may be available in or convenient of access to the place where the arrest may be made, to answer the charge or complaint and affidavit, and a certified copy of the sworn charge or complaint and affidavit upon which the warrant is issued shall be attached to the warrant.

Section 15. The arrest of a person may be lawfully made also by any peace officer or a private person, without a warrant upon reasonable information that the accused stands charged in the courts of a state with a crime punishable by death or imprisonment for a term exceeding one year, but when so arrested the accused must be taken before a judge with all practicable speed and complaint must be made against him under oath setting forth the ground for the arrest as in the preceding section; and thereafter his answer shall be heard as if he had been arrested on a warrant.

Section 16. If from the examination before the judge it appears that the person held is the person charged with having committed the crime alleged and, except in cases arising under Section 7, that he has fled from justice, the judge must, by a warrant reciting the accusation, commit him to the county jail for such a time not exceeding thirty days and specified in the warrant, as will enable the arrest of the accused to be made under a warrant of the Governor on a requisition of the Executive Authority of the state having jurisdiction of the offense, unless the accused give bail as provided in the next section, or until he shall be legally discharged.

Section 17. Unless the offense with which the prisoner is charged is shown to be an offense punishable by death or life imprisonment under the laws of the state in which it was committed, a judge in this state may admit the person arrested to bail by bond, with sufficient sureties, and in such sum as he deems proper, conditioned for his appearance before him at a time specified in such bond, and for his surrender, to be arrested upon the warrant of the Governor of this state.

Section 18. If the accused is not arrested under warrant of the Governor by the expiration of the time specified in the warrant or bond, the judge may discharge him or may recommit him for a further period not to exceed sixty days, or may again take bail for his appearance and surrender, as provided in Section 17, but within a period not to exceed sixty days after the date of such new bond.

Section 19. If the prisoner is admitted to bail, and fails to appear and surrender himself according to the conditions of his bond, the judge by proper order, shall declare the bond forfeited and order his immediate arrest without warrant if he be within this state. Recovery may be had on such bond in the name of the state as in the case of other bonds given by the accused in criminal proceedings within this state.

Section 20. The Governor may in his discretion surrender upon demand of the Executive Authority of another state, any person found in this state, notwithstanding the fact that a criminal prosecution or charges under the laws of this state are pending against such person, or that such person has been convicted in this state and is serving a sentence in any penal institution of this state. The Governor may condition the release of such prisoner to the demanding state upon such terms as he may stipulate, including the condition that the prisoner be returned to this state immediately after trial and before commencing the service of sentence, if any, in the demanding state; provided, however, in no case shall surrender of such prisoner be construed as a complete relinquishment of jurisdiction by this state, but such prisoner shall forthwith be returned to the custody of this state at expense of the demanding state, immediately after trial in the demanding state, or the completion of sentence therein, as the case may be.

Section 21. The guilt or innocence of the accused as to the crime of which he is charged may not be inquired into by the Governor or in any proceeding after the demand for extradition accompanied by a charge of crime in legal form as above provided shall have been presented to the Governor, except as it may be involved in identifying the person held as the person charged with the crime.

Section 22. The Governor may recall his warrant of arrest or may issue another warrant whenever he deems proper.

Section 23. Whenever the Governor of this state shall demand a person charged with crime or with escaping from confinement or breaking the terms of his bail, probation or parole in this state, from the Executive Authority of any other state, or from the chief justice or an associate justice of the Supreme Court of the District of Columbia authorized to receive such demand under the laws of the

United States, he shall issue a warrant under the seal of this state, to some agent, commanding him to receive the person so charged if delivered to him and convey him to the proper officer of the county in this state in which the offense was committed.

Section 24. (1) When the return to this state of a person charged with crime in this state is required, the Commonwealth's attorney or county attorney shall present to the Governor his written application for a requisition for the return of the person charged, in which application shall be stated the name of the person so charged, the crime charged against him, the approximate time, place and circumstances of its commission, the state in which he is believed to be, including the location of the accused therein at the time the application is made and certifying that, in the opinion of the said prosecuting attorney the ends of justice require the arrest and return of the accused to this state for trial and that the proceeding is not instituted to enforce a private claim.

(2) When the return to this state is required of a person who has been convicted of a crime in this state and escaped from confinement or broken the terms of his bail, probation or parole, the Commonwealth's attorney or county attorney of the county in which the offense was committed, the chairman of the parole board, or the warden of the institution or county attorney of the county from which escape was made, shall present to the Governor a written application for a requisition for the return of such person, in which application shall be stated the name of the person, the crime of which he was convicted, the circumstances of his escape from confinement or of the breach of the terms of his bail, probation or parole, the state in which he is believed to be, including the location of the person therein at the time application is made.

(3) The application shall be verified by affidavit, shall be executed in triplicate and shall be accompanied by three certified copies of the indictment returned, or affidavit made before a judge or magistrate and warrant of arrest issued thereon, stating the offense with which the accused is charged, or of the judgment of conviction or of the sentence. The Commonwealth's attorney or county attorney, chairman of the parole board or warden shall also attach such further affidavits and other documents in triplicate as he or the Attorney General may deem proper to be submitted with such application. When the application is made pursuant to subsection (1) of this section, the prosecuting attorney shall, unless the case is of the type mentioned in Section 7 of this Act, submit to the Governor proof in the form of an affidavit that the accused was personally present in this state at the time of commission of the crime charged. One copy of the application, with the action of the Governor indicated by endorsement thereon,

and one of the certified copies of the indictment, affidavit and warrant, or of the judgment of conviction or of the sentence shall be filed in the office of the Secretary of State to remain of record in that office. The other copies of all papers shall be forwarded with the Governor's requisition.

Section 25. (1) When a person charged with commission of a felony in this state or with having been convicted of a felony here and having escaped from confinement or broken the terms of his bail, probation or parole is arrested in another state and waives extradition proceedings, the county judge of the county in which the felony was committed, or from which the escape was made, may, upon filing of a verified application by the Commonwealth's attorney or county attorney setting forth the fact of waiver and making all statements required by subsection (1) or subsection (2) of Section 24 of this Act, enter an order designating an officer to return the fugitive to this state without benefit of any procedure incidental to extradition proceedings. Upon entry of such order the officer so designated shall be authorized to go after and return the fugitive as the agent of this state and shall receive from the State Treasury the same payment for his expenses as is provided by KRS 440.090 for agents acting under requisition of the Governor. Claims for reimbursement of expenses under this subsection shall be accompanied by certified copies of the verified application for appointment of the agent and the order of appointment, together with a copy of any process showing delivery of the fugitive to the jailer upon return to this state. If the agent is not given possession of the fugitive for reasons beyond the agent's control, he shall nevertheless be reimbursed as provided herein, if it is shown that prior to his appointment as agent and before departure from the state the fugitive had executed in the presence of any officer authorized to administer an oath a written waiver stating that he consents to return to this state without extradition.

(2) All legal costs incurred in apprehending and securing in this state a fugitive wanted in another state shall be paid by the agent of the state demanding him before the agent is permitted to remove him or receive him into custody.

Section 26. A person brought into this state, by, or after waiver of, extradition based on a criminal charge shall not be subject to service of personal process in civil actions arising out of the same facts as the criminal proceeding to answer which he is being or has been returned, until he has been convicted in the criminal proceeding, or, if acquitted, until he has had reasonable opportunity to return to the state from which he was extradited.

Section 27. (1) Any person arrested in this state charged with having committed any crime in another state or alleged to have escaped from confinement, or broken the terms of his bail, probation or parole may waive the issuance and service of the warrant provided for in sections 8 and 9 and all other procedure incidental to extradition proceedings, by executing or subscribing in the presence of a judge of any circuit court, county court or police court within this state a writing which states that he consents to return to the demanding state; provided, however, that before such waiver shall be executed or subscribed by such person it shall be the duty of such judge to inform such person of his rights to the issuance and service of a warrant of extradition and to obtain a writ of habeas corpus as provided for in Section 11.

(2) If and when such consent has been duly executed it shall forthwith be forwarded to the office of the Secretary of State of this state and filed therein. The judge shall direct the officer having such person in custody to deliver forthwith such person to the duly accredited agent or agents of the demanding state, and shall deliver or cause to be delivered to such agent or agents a copy of such consent; provided, however, that nothing in this section shall be deemed to limit the rights of the accused person to return voluntarily and without formality to the demanding state, nor shall this waiver procedure be deemed to be an exclusive procedure or to limit the powers, rights or duties of the officers of the demanding state or of this state.

Section 28. Nothing in this Act contained shall be deemed to constitute a waiver by this state of its right, power or privilege to try such demanded person for crime committed within this state, or of its right, power or privilege to regain custody of such person by extradition proceedings or otherwise for the purpose of trial, sentence or punishment for any crime committed within this state, nor shall any proceedings had under this Act which result in, or fail to result in, extradition be deemed a waiver by this state of any of its rights, privileges or jurisdiction in any way whatsoever.

Section 29. After a person has been brought back to this state by, or after waiver of extradition proceedings, he may be tried in this state for other crimes which he may be charged with having committed here as well as that specified in the requisition for his extradition.

Section 30. Sections 440.070 and 440.080 of the Kentucky Revised Statutes are repealed.

HB 300, AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various officers, departments, boards, institutions, and subdivisions, agencies and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE

There is appropriated out of the General Expenditure Fund, including any unappropriated surplus to the General Expenditure Fund as of June 30, 1960, for the fiscal year beginning July 1, 1960, and ending June 30, 1961, and including any unappropriated surplus to the General Expenditure Fund as of June 30, 1961, for the fiscal year beginning July 1, 1961, and ending June 30, 1962, the following sums for the following officers, departments, boards, commissions, institutions, and subdivisions of the State Government, and any and all other agencies of the State Government of the Commonwealth of Kentucky subject to the provisions of Chapters 12, 42, and 45 of the Kentucky Revised Statutes, for which a specific appropriaiton is in Part One listed as follows:

I. GENERAL GOVERNMENT

1. LEGISLATIVE

A. *Legislative Sessions*

1960-61	$ 5,000
1961-62	$534,335

B. *Legislative Research Commission*

1960-61	$157,715
1961-62	$158,130

C. *Statute Revision and Administrative Regulations*

1960-61	$70,015
1961-62	$71,365

D. *Legislative Journals and Acts.* For preparing, indexing, editing, and printing the Journals and Acts of the General Assembly. Any unexpended balance at the end of the first fiscal year of the biennium shall be carried over to the second year.

1960-61	$29,560
1961-62	$13,600

E. *The Council of State Governments*

1960-61	$10,500
1961-62	$10,500

F. *Statute Revision Commission—Printing Revolving Fund*

1960-61	$14,080

TOTAL—LEGISLATIVE

1960-61	$286,870
1961-62	$787,930

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2. LIEUTENANT GOVERNOR

A. *Office of the Lieutenant Governor*

1960-61	$32,450
1961-62	$33,025

B. *Contingent Fund*
1960-61 $2,500
1961-62 $2,500

TOTAL–LIEUTENANT GOVERNOR
1960-61 $34,950
1961-62 $35,525

3. JUDICIARY

A. *Court of Appeals.* For normal recurring operating costs of the Court of Appeals, including salaries of judges and commissioners.
1960-61 $280,775
1961-62 $287,300

B. *Clerk of Court of Appeals*
1960-61 $42,200
1961-62 $43,600

C. *Judicial Council*
1960-61 $19,300
1961-62 $19,300

D. *Circuit Courts.* For salaries and expenses of circuit judges.
1960-61 $533,250
1961-62 $533,250

E. *Circuit Judges' Retirement System.* For administering and complying with the obligations of the State under the Circuit Judges' Retirement System Act, namely, KRS 23.300 to 23.380.
1960-61 $9,744
1961-62 $9,744

F. *State Law Library*
1960-61 $35,100
1961-62 $34,900

TOTAL–JUDICIARY
1960-61 $920,369
1961-62 $928,094

4. EXECUTIVE DEPARTMENT

A. *Governor's Office*
1960-61 $84,650
1961-62 $85,600

B. *Contingent Fund*
1960-61 $12,000
1961-62 $12,000

C. *General Emergency Fund.* For meeting expenses deemed emergencies by the Governor, and to be expended by the Governor in his discretion for any emergency that he may determine requires the expenditure of any part of said fund. Any unexpended balance at the end of the first fiscal year of the biennium shall be carried over to the second year.

1960-61	$500,000
1961-62	$500,000

TOTAL—EXECUTIVE DEPARTMENT

1960-61	$596,650
1961-62	$597,600

5. SECRETARY OF STATE

A. *Secretary of State*

1960-61	$79,375
1961-62	$81,840

6. DEPARTMENT OF LAW

A. *Attorney General*

1960-61	$211,175
1961-62	$201,185

7. DEPARTMENT OF THE TREASURY

A. *State Treasurer*

1960-61	$104,200
1961-62	$105,160

8. AUDITOR OF PUBLIC ACCOUNTS

A. *Auditor of Public Accounts*

1960-61	$153,060
1961-62	$155,940

9. DEPARTMENT OF FINANCE

A. *General Operations*

1960-61	$734,240
1961-62	$765,910

B. *Division of Services.* For general operations.

1960-61	$580,845
1961-62	$587,225

C. *Division of Services.* For operation of the Executive Mansion.

1960-61	$40,895
1961-62	$37,805

D. *Division of Services.* For operation of the Old Governor's Mansion.

1960-61	$13,800
1961-62	$14,260

E. *Records and Archives*

1960-61	$ 8,500
1961-62	$21,910

F. *Farm Study*
1960-61 $30,160
1961-62 $10,660

TOTAL—DEPARTMENT OF FINANCE
1960-61 $1,408,440
1961-62 $1,437,770

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10. DEPARTMENT OF PERSONNEL

A. *Department of Personnel*
1960-61 $151,945
1961-62 $153,430

Any unexpended balance at the end of the 1960-61 fiscal year shall carry forward to the 1961-62 fiscal year.

11. DEPARTMENT OF REVENUE

A. *General Operations*
1960-61 $1,792,560
1961-62 $1,825,390

B. *Reappraisals*
1960-61 $75,000
1961-62 $75,000

Any unexpended balance at the end of the 1960-61 fiscal year shall carry forward to the 1961-62 fiscal year.

C. *County Tax Commissioners*
1960-61 $1,545,000
1961-62 $1,575,000

TOTAL DEPARTMENT OF REVENUE
1960-61 $3,412,560
1961-62 $3,475,390

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12. ELECTIONS

A. *State Board of Election Commissioners*
1960-61 $825
1961-62 $825

B. *State Board of Registration and Purgation*
1960-61 $6,745
1961-62 $6,510

C. *County Elections—State Share*
1960-61 $152,000
1961-62 $152,000

D. *County Registration and Purgation Boards—State Share*
1960-61 $70,000
1961-62 $70,000

TOTAL—ELECTIONS

1960-61	$229,570
1961-62	$229,335

13. DEPARTMENT OF MILITARY AFFAIRS

A. *Adjutant General*

1960-61	$332,345
1961-62	$336,415

B. *Armories—Rental*

1960-61	$121,720
1961-62	$121,720

C. *Repairs to Armories*

1960-61	$52,310
1961-62	$45,735

Any unexpended balance at the end of the 1960-61 fiscal year shall carry forward to the 1961-62 fiscal year.

D. *Civil Defense*

1960-61	$47,060
1961-62	$47,710

TOTAL—DEPARTMENT OF MILITARY AFFAIRS

1960-61	$553,435
1961-62	$551,580

14. DISABLED EX-SERVICE MEN'S BOARD

A. *Disabled Ex-Service Men's Board*

1960-61	$133,490
1961-62	$135,150

15. DEPARTMENT OF AERONAUTICS

A. *General Operations*

1960-61	$272,525
1961-62	$194,450

B. *Emergency and Disaster Relief in Cooperation with Civil Air Patrol*

1960-61	$10,000
1961-62	$10,000

TOTAL—DEPARTMENT OF AERONAUTICS

1960-61	$282,525
1961-62	$204,450

16. DEPARTMENT OF PUBLIC SAFETY

A. *Office of the Commissioner*

1960-61	$6,425
1961-62	$6,500

B. *Division of State Police*

1960-61	$544,290
1961-62	$594,805

C. *Division of Accident Control*

1960-61	$9,325
1961-62	$9,590

D. *Division of Fire Prevention*

1960-61	$308,000
1961-62	$306,100

TOTAL—DEPARTMENT OF PUBLIC SAFETY

1960-61	$868,040
1961-62	$916,995

17. DEPARTMENT OF ECONOMIC DEVELOPMENT

A. *General Operations*

1960-61	$693,800
1961-62	$683,345

B. *Special Projects*

1960-61	$128,500
1961-62	$128,500

Allotments to this account shall only be made on the approval of the Commissioner of Finance based upon the merits of individual projects.

TOTAL—DEPARTMENT OF ECONOMIC DEVELOPMENT

1960-61	$822,300
1961-62	$811,845

18. DEPARTMENT OF BUSINESS REGULATION

A. *Division of Athletic Control*

1960-61	$10,565
1961-62	$10,970

19. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *General Operations.* For general operations other than the Workmen's Compensation Board.

1960-61	$143,040
1961-62	$147,680

B. *Board of Claims.* For operating expenses in handling claims against the Commonwealth.

1960-61	$5,000
1961-62	$5,000

TOTAL—DEPARTMENT OF INDUSTRIAL RELATIONS

1960-61	$148,040
1961-62	$152,680

20. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals*

1960-61	$305,250
1961-62	$310,110

21. RAILROAD COMMISSION

A. *Railroad Commission*

1960-61	$35,370
1961-62	$35,700

22. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

A. *Department of Alcoholic Beverage Control*

1960-61	$259,830
1961-62	$261,050

23. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A. *Money Refunded.* For refunding money paid into the State Treasury, which may be later determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and the approval of the Commissioner of Finance and the Attorney General.

1960-61	The Amount Necessary
1961-62	The Amount Necessary

B. *Bonds of Elective and Appointive Officers.* For payment of premiums on bonds of elected and appointed State officials who are required by law to execute bonds to the Commonwealth of Kentucky, the payment of which is incumbent upon the State.

1960-61	$13,000
1961-62	$13,500

C. *Judgments.* For payment of such judgments as may be rendered against the Commonwealth by order of Court and approved by the Attorney General.

1960-61	$10,000
1961-62	$10,000

D. *Frankfort Cemetery*

1960-61	$250
1961-62	$250

E. *Franklin Circuit Court.* For purchase of supplies and equipment in accordance with KRS 28.165.

1960-61	$300
1961-62	$300

F. *Statutes and Codes for Courts.* For the purpose only of purchasing from the Legislative Research Commission copies of the official statutes of Kentucky, and annotations thereto, codes of practice and procedure, together with supplements thereto, and administrative regulations compiled in accordance with KRS 57.340, except where the Legislative Research Commission does not publish such material and the Director of the Legislative Research Commission so certifies. In such case, the State Law Librarian is authorized to purchase said material from commercial sources. Any unexpended balance at the end of the first fiscal year of the biennium shall be carried over to the second year.

1960-61	$3,000
1961-62	$3,000

G. *Interstate Oil Compact*

1960-61	$1,000
1961-62	$1,000

H. *Special Legislative Claims*

1960-61	The Amount Necessary
1961-62	The Amount Necessary

I. *Back Tax Collections*

1960-61	The Amount Necessary
1961-62	The Amount Necessary

J. *Prior Year Claims*

1960-61	The Amount Necessary
1961-62	The Amount Necessary

K. *Public Improvements.* For paying assessments for public work against property owned by the State as provided by KRS 93.440 and 94.297.

1960-61	$7,000
1961-62	$7,000

L. *Board of Claims Awards.* For the payment of awards or judgments made by the Board of Claims against departments, boards, commissions and other agencies maintained by appropriations out of the General Fund.

1960-61	$15,000
1961-62	$15,000

M. *Capital Planning and Zoning Commission.* For expenses of participation in the program of the Commission.

1960-61	$1,000
1961-62	$1,000

N. *Social Security for Circuit Clerks, Master Commissioners, and Court Reporters*
1960-61 $19,250
1961-62 $19,250

O. *Retirement—Circuit Clerks and Master Commissioners*
1960-61 $32,345
1961-62 $32,345

P. *Blanket Employee Surety Bonds.* For payment of premiums on blanket surety bonds as provided by KRS 62.170.
1960-61 $9,340
1961-62 $9,340

Q. *Presidential Electors Expense*
1960-61 $650

R. *Confederate Pensions*
1960-61 $5,750
1961-62 $4,400

S. *Paper for Election Ballots*
1960-61 $10,000
1961-62 $10,000

T. *Excess Auto and Aircraft Liability Insurance*
1960-61 $4,450
1961-62 $5,685

TOTAL—APPROPRIATIONS NOT OTHERWISE CLASSIFIED
1960-61 $132,335
1961-62 $132,070

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24. COUNTY COSTS

A. *Clerk's Services, Criminal Prosecutions, Jury Commissioners, Trustees of Jury Funds (Circuit Clerks), Commissions on Fines and Forfeitures, Commonwealth's Attorneys, Return of Fugitives from Justice, County Highway Patrol, Premiums on Sheriff's Bonds, Pauper Idiots, and County Boards of Supervisors.*

All County Costs are deemed to be necessary governmental expenses and additional funds may be allotted by the Commissioner of Finance.
1960-61 $3,098,120
1961-62 $3,100,120

25. DEPARTMENT OF MOTOR TRANSPORTATION

A. *Department of Motor Transportation*
1960-61 $44,325
1961-62 $44,850

26. DEPARTMENT OF INSURANCE

A. *General Operations*
1960-61 $341,050
1961-62 $331,000

27. KENTUCKY STATE HISTORICAL SOCIETY

A. *Kentucky State Historical Society*

1960-61	$50,525
1961-62	$41,970

28. LIBRARY EXTENSION DIVISION

A. *Library Extension*

1960-61	$427,250
1961-62	$517,625

29. DEPARTMENT OF PUBLIC RELATIONS

A. *General Operations.* For all divisions except industrial promotion.

1960-61	$331,305
1961-62	$333,905

B. *Division of Industrial Promotion*

1960-61	$307,000
1961-62	$294,900

TOTAL—DEPARTMENT OF PUBLIC RELATIONS

1960-61	$638,305
1961-62	$628,805

TOTAL—GENERAL GOVERNMENT

1960-61	$15,739,919
1961-62	$16,376,169

II. HEALTH AND WELFARE

30. DEPARTMENT OF WELFARE

A. *Central Office.* For expenses of the Office of the Commissioner, Division of Staff Services, and Division of Farm Management.

1960-61	$176,520
1961-62	$178,870

B. *Kentucky Training Home*

1960-61	$ 956,075
1961-62	$1,036,605

C. *Penal Institutions.* For expenses of Kentucky State Reformatory, Kentucky State Penitentiary, Women's Prison, and Division of Corrections.

1960-61	$2,357,610
1961-62	$2,380,320

D. *Division of Probation and Parole*

1960-61	$482,700
1961-62	$490,365

E. *Parole Board*

1960-61	$39,110
1961-62	$39,385

F. *Children's Services.* For expenses of the Division of Children's Institutions, Kentucky Village, Kentucky Children's Home, Reception Center, and Boy's Camp.

1960-61	$1,268,470
1961-62	$1,289,260

G. *Maintenance of Buildings*

1960-61	$100,000
1961-62	$100,000

For maintenance projects that are approved by the Commissioner of the Department of Finance after which funds shall be allotted. Any unencumbered balance remaining at the end of the first fiscal year of the biennium shall be carried forward to the next fiscal year.

TOTAL—DEPARTMENT OF WELFARE

1960-61	$5,380,485
1961-62	$5,514,805

31. DEPARTMENT OF ECONOMIC SECURITY

For ordinary expenses of operation and cooperatioin (matching of funds) with the Federal Government under the Social Security Act of August 14, 1935, and any amendments now in effect or hereinafter enacted and under any act of Congress supplementing said act as amended ,including adjustments of prior year or current year accounts necessary to comply with the federal regulations. Also, for the administration of Old Age Assistance, Aid to Dependent Children, Services to Needy Children, Aid to the Needy Blind, and Aid to the Permanently and Totally Disabled, including cost to the State Treasurer for preparing, printing, and issuing checks for recipients of public assistance programs and any activities financed solely from state funds.

A. *Public Assistance — Administration.* Notwithstanding the provisions of KRS 45.235, any unencumbered balance of this appropriation remaining at the end of the first fiscal year of the biennium shall lapse in accordance with the provisions of KRS 45.230.

1960-61	$1,651,515
1961-62	$1,778,140

B. *Public Assistance—Benefits.* For Old Age Assistance Payments, Aid to the Needy Blind, Aid to Dependent Children, and Aid to the Permanently and Totally Disabled, and not to be used for costs of administration. Any unexpended balance at the end of the first fiscal year shall be carried over to the second and placed in a reserve fund which may be expended by the Commissioner of Economic Security for the pruposes of this appropriation with the approval of the Governor.

1960-61	$15,806,490
1961-62	$15,907,640

C. *Indigent Medical Care—Administration.* For the costs of administering an indigent medical care program approved by the

Department of Economic Security, including costs to the Department of Health not to exceed $50,000 each year of the biennium for services provided in relation to the administration of the indigent medical care program. This appropriation is contingent upon new legislation on indigent medical care being passed by the General Assembly or a contract between the Departments of Economic Security and Health defining the responsibilities of each. No funds shall be allotted by the Commissioner of Finance until one or both of these conditions are fulfilled. Any unencumbered balance at the end of the first year of the biennium shall lapse in accordance with the provisions of KRS 45.230.

1960-61	$100,000
1961-62	$135,000

D. *Indigent Medical Care—Benefits.* For medical care benefits under those categories of indigent medical care adopted by the Department of Economic Security; provided, however, that only those categories or classes of medical care in which matching federal funds are available shall be initiated during this biennium. This appropriation is contingent upon new legislation on indigent medical care being passed by the General Assembly or a contract between the Departments of Economic Security and Health defining the responsibilities of each department in administering this program. No funds shall be allotted by the Commissioner of Finance before January 1, 1961, and not then until at least one of these conditions is fulfilled; moreover, no funds appropriated for benefits shall be used for administration. Any funds remaining at the end of the first year of the biennium shall be carried forward into the second year of the biennium.

1960-61	$467,000
1961-62	$935,000

E. *Children's Services — Administration.* Notwithstanding the provisions of KRS 45.236, any unencumbered balance of this appropriation remaining at the end of the first fiscal year of the biennium shall lapse in accordance with the provisions of KRS 45.230.

1960-61	$659,550
1961-62	$811,500

F. *Children's Services—Benefits.* For boarding home care, medical care, and other benefit expense, and not to be used for costs of administration. Any unencumbered balance at the end of the first fiscal year of the biennium shall be carried forward to the second year.

1960-61	$306,900
1961-62	$335,400

G. *Division of Personnel Security.* For state's share of expenses in administering the Federal Social Security Act.

1960-61	$18,690
1961-62	$19,225

TOTAL–DEPARTMENT OF ECONOMIC SECURITY

1960-61	$19,010,145
1961-62	$19,921,905

32. DEPARTMENT OF HEALTH

A. *General Operations*

1960-61	$1,638,615
1961-62	$1,736,235

B. *County Health*

1960-61	$2,270,965
1961-62	$2,500,085

Any unexpended balance at the end of the 1960-61 fiscal year shall carry forward to the 1961-62 fiscal year.

C. *Covington-Kenton County Tuberculosis Sanatorium*

1960-61	$49,200
1961-62	$49,200

If at any time during the biennium the State Tuberculosis Hospital Commission finds that it has adequate facilities to treat tuberculosis patients in Covington and Kenton Counties, any unexpended funds shall be transferred to the Commission, any provisions of KRS 215.320-215.345 to the contrary notwithstanding. The Commissioner of Finance shall take necessary action to transfer any unexpended funds to the Tuberculosis Hospital Commission upon the receipt of a certificate by the Commission that adequate facilities exist. The transfer of funds shall be effected at the beginning of the next quarterly allotment following receipt of the certificate.

D. *Warren County Tuberculosis Sanatorium*

1960-61	$27,000
1961-62	$27,000

If at any time during the biennium the State Tuberculosis Hospital Commission finds that it has adequate facilities to treat tuberculosis patients in Warren County, any unexpended funds shall be transferred to the Commission, any provisions of KRS 215.320-215.345 to the contrary notwithstanding. The Commissioner of Finance shall take necessary action to transfer any unexpended funds to the Tuberculosis Hospital Commission upon the receipt of a certificate by the Commission that adequate facilities exist. The transfer of funds shall be effected at the beginning of the next quarterly allotment following receipt of the certificate.

E. *Waverly Hills Tuberculosis Sanatorium*

1960-61	$294,000

Any unexpended funds remaining after patients are transferred to hospitals operated by the State Tuberculosis Hospital Commission shall be transferred to the Commission. The Commissioner of Finance shall take the necessary action to transfer these funds when the Commission certifies that the transfer of patients to state institutions has been completed.

F. *Water Pollution Control Commission*

1960-61	$111,300
1961-62	$111,815

G. *American Society for Control of Cancer—Kentucky Division*

1960-61	$ 45,000
1961-62	$ 45,000

H. *Rural Medical Scholarship Fund.* To be expended for the purposes of the present rural medical scholarship fund only.

1960-61	$ 25,000
1961-62	$ 25,000

I. *Rural Dental Scholarship Fund.* To be expended for the purpose of the present rural dental scholarship fund only.

1960-61	$ 15,000
1961-62	$ 15,000

J. *King's Daughters' Home for the Incurables*

1960-61	$ 38,000
1961-62	$ 38,000

K. *Vital Statistics*

1960-61	$ 25,000

Any unexpended balance existing at the end of fiscal year 1960-61 shall be carried forward to fiscal year 1961-62.

TOTAL—DEPARTMENT OF HEALTH

1960-61	$4,539,080
1961-62	$4,547,335

33. KENTUCKY CRIPPLED CHILDREN COMMISSION

A. *Kentucky Crippled Children Commission*

1960-61	$695,410
1961-62	$714,680

34. STATE TUBERCULOSIS HOSPITAL COMMISSION

A. *State Tuberculosis Hospital Commission.* For administration and operation expenses of the Commission and institutions under its control and supervision.

1960-61	$3,196,730
1961-62	$3,594,670

35. DEPARTMENT OF MENTAL HEALTH

A. *General Operations*

1960-61	$8,729,500
1961-62	$8,845,650

B. *New and Expanded Programs*
1960-61 $ 929,900
1961-62 $1,197,885

For allotment only upon initiation of approved new and expanded programs. These funds may be transferred to the Department of Mental Health appropriation for General Operations as such programs are initiated.

C. *Deferred Maintenance*
1960-61 $100,000
1961-62 $100,000

For deferred maintenance projects that are approved by the Commissioner of the Department of Finance after which funds shall be allotted. Any unencumbered balance remaining at the close of the first fiscal year of the biennium shall be carried forward to the next fiscal year.

TOTAL–DEPARTMENT OF MENTAL HEALTH

1960-61 $ 9,759,400
1961-62 $10,143,535

36. KENTUCKY COMMISSION ON ALCOHOLISM

A. *Kentucky Commission on Alcoholism*
1960-61 $44,230
1961-62 $44,930

TOTAL–II. HEALTH AND WELFARE

1960-61 $42,625,480
1961-62 $44,481,860

III. EDUCATION

37. DEPARTMENT OF EDUCATION

A. *General Operations.* For expenses of the divisions within the department and the State Board of Education.
1960-61 $916,440
1961-62 $969,395

B. *Division of Education for Veterans (Veterans' Approval Agency).* For payment of administrative expenses in connection with the approval of educational institutions for training and educating veterans for which reimbursement is made by the Federal Government. This appropriation shall not lapse at the end of the fiscal year 1960-61, but shall be available during the second year of the biennium.

C. *School Foundation Program*
1960-61 $ 95,861,100
1961-62 $103,261,100

The State Board of Education shall not approve any working budget or salary schedule for local boards of education for the school years 1960-61 and 1961-62 in which the total amount budgeted for teachers' salaries is not equal to the amount budgeted for teachers' salaries in 1959-60 plus the additional amount for teachers' salaries and guarantee received by the district under this appropriation. The amount which any district receives under any guarantee provision shall be presumed to be for teachers' salaries and shall be placed in the teachers' salaries budget and allotted to the various teachers' salary ranks in a proportionate manner in keeping with KRS 157.390. No working budget or salary schedule shall be approved in which the average salary paid any rank of teacher is not at least equivalent to the allotment for that rank and in which any teacher is paid less than ninety per cent of the Foundation Program allotment for that rank.

The Superintendent of Public Instruction shall not allot to any school district more basic classroom units than the number of teachers employed by that school district for basic classroom units. Entitlement for basic classroom units obtained in schools or buildings of one classification shall not be allocated to schools or buildings of another classification, for which purposes the classifications shall be as follows:

(1) One-teacher schools;

(2) Schools, other than one-teacher schools, with less than one hundred pupils in average daily attendance; and,

(3) Schools, other than one-teacher schools, with more than one hundred pupils in average daily attendance.

The Superintendent of Public Instruction shall allot classroom units for superintendents, principals, their certified assistants and special instructional personnel as provided in KRS 157.360, subsection 6, only for personnel who are qualified for their respective positions under provisions of law and regulations of the State Board of Education and who maintain programs approved under regulations of the State Board of Education.

The number of units allotted by the Superintendent of Public Instruction for vocational education and the education of exceptional children shall not exceed the following:

	1960-61	1961-62
Vocational Agriculture	260	265
Vocational Home Economics	365	370
Trade and Industrial	100	100
Distributive Occupations	25	30
Exceptional Children	215	250

The Superintendent of Public Instruction shall not allot a full classroom unit for any non-isolated one-teacher school with fewer than

27 pupils in average daily attendance and no full classroom units shall be allotted for any one-teacher school which has fewer than 12 pupils in average daily attendance.

Facilities that are used to house school children shall be approved by the Superintendent of Public Instruction under KRS 162.060 and 162.160. No alterations or additions of old buildings shall be made without prior approval of the Superintendent of Public Instruction. No space shall be rented or purchased and converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the approval on an annual basis of temporary facilities for the housing of school children but these regulations shall not permit the division of any present room by partitions of nonstructural material. No classroom units shall be allotted for a second teacher in the same classroom. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than nine scholastic months or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units provided for by regulations of the State Board of Education.

If at the time of the tentative allotment of school funds under KRS 157.130 through 157.440, it shall be determined that insufficient revenue is available to finance in full the Foundation Program, the Superintendent of Public Instruction shall not allot any classroom units under the special growth or loss provisions of KRS 157.360, subsection 3.

So much of the public school foundation program fund, which would not be distributed during 1960-61 due to the failure of one or more participating districts to meet the full requirements, shall be held in account for distribution the following year among districts which meet requirements for participation. Any unexpended balance in the Foundation Program Fund at the end of fiscal year 1959-60 shall be made available for expenditure during 1960-61 and 1961-62.

D. *Free Textbooks.*

1. For the purchase of textbooks as provided for in KRS 157.100 and 157.900.

1960-61	$2,300,000
1961-62	$2,300,000

2. For the purchase of high school textbooks.

1960-61	$540,000
1961-62	$550,000

To be expended in accordance with regulations of the State Board of Education.

E. *Out-of-District Children*

1960-61	$35,000
1961-62	$35,000

F. *Kentucky School for the Blind*

1960-61	$264,375
1961-62	$275,760

G. *Kentucky School for the Deaf*

1. *General Operations*

1960-61	$459,730
1961-62	$487,250

2. *Maintenance Projects*

1960-61	$40,700
1961-62	$20,000

For deferred maintenance projects that are approved by the Commissioner of the Department of Finance after which funds shall be allotted. Any unencumbered balance remaining at the close of the first fiscal year of the biennium shall be carried forward to the next fiscal year.

H. *Mayo State Vocational School*

1960-61	$437,840
1961-62	$399,185

I. *Northern Kentucky Vocational School*

1960-61	$ 90,660
1961-62	$106,100

J. *West Kentucky Vocational School*

1960-61	$167,650
1961-62	$179,350

K. *Bureau of Rehabilitation Services*

1960-61	$306,160
1961-62	$320,485

Any unexpended balance at the end of the first fiscal year of the biennium not to exceed $10,000 shall be carried over to the second year.

L. *Kentucky Industries for the Blind*

1960-61	$36,500
1961-62	$35,000

M. *Itinerant Instruction*

1960-61	$8,765
1961-62	$9,235

N. *Practical Nurse Training Program*

1960-61	$82,400
1961-62	$93,000

O. *Trade and Industrial Education*

1960-61	$353,600
1961-62	$439,500

P. *Technician Training Program*

1960-61	$121,000
1961-62	$113,820

Q. *Distributive Education Adult Program*

1960-61	$ 8,085
1961-62	$11,920

R. *Rural Development Program*

1960-61	$91,730
1961-62	$93,580

S. *Future Farmer Leadership Training Camp*

1960-61	$18,180
1961-62	$18,445

TOTAL—DEPARTMENT OF EDUCATION

1960-61	$102,153,915
1961-62	$109,718,125

38. COUNCIL ON PUBLIC HIGHER EDUCATION

A. *Council on Public Higher Education.* To be expended for administration of the Veterinary Medicine Scholarship Program, the Medical Education Program, Forestry Scholarship Program, Blind and Deaf Teacher Training Scholarship Program, and Public Health Scholarship Program.

B. *Southern Regional Education Board.* For participation in the activities of the Southern Regional Education Board including the Mental Health Council and the Veterinary Medicine Program, Forestry Program, Blind and Deaf Teachers, and Public Health Scholarship Program.

1960-61	$115,400
1961-62	$118,400

C. *Medical Education Program*

1960-61	$500,000
1961-62	$500,000

D. *Musical Education*

1960-61	$53,000
1961-62	$53,000

TOTAL—COUNCIL ON PUBLIC HIGHER EDUCATION

1960-61	$668,400
1961-62	$671,400

39. UNIVERSITY OF KENTUCKY

A. *University of Kentucky*

1960-61	$ 9,732,200
1961-62	$11,139,800

B. *Medical Center*

1960-61	$1,975,300
1961-62	$3,507,000

C. *Geological Projects*

1960-61	$503,860
1961-62	$803,860

TOTAL—UNIVERSITY OF KENTUCKY

1960-61	$12,211,360
1961-62	$15,450,660

40. EASTERN KENTUCKY STATE COLLEGE

A. *Eastern Kentucky State College*

1960-61	$1,648,300
1961-62	$2,048,850

41. MOREHEAD STATE COLLEGE

A. *Morehead State College*

1960-61	$1,245,900
1961-62	$1,532,990

42. MURRAY STATE COLLEGE

A. *Murray State College*

1960-61	$1,559,900
1961-62	$1,899,350

43. WESTERN KENTUCKY STATE COLLEGE

A. *Western Kentucky State College*

1960-61	$1,640,850
1961-62	$2,057,960

44. KENTUCKY STATE COLLEGE

A. *Kentucky State College*

1960-61	$697,600
1961-62	$829,390

45. TEACHERS' RETIREMENT SYSTEM

A. *Teachers' Retirement System.* For administering and complying with the obligations of the state under the Teachers' Retirement Act as provided in KRS 161.220 to 161.710.

1960-61	$7,125,000
1961-62	$7,600,000

46. LINCOLN INSTITUTE

A. *Lincoln Institute*

1960-61	$183,040
1961-62	$187,420

TOTAL–III. EDUCATION

1960-61	$129,134,265
1961-62	$141,996,145

IV. AGRICULTURE AND CONSERVATION

47. DEPARTMENT OF AGRICULTURE

A. *General Operations*

1960-61	$673,360
1961-62	$667,200

B. *Livestock Sanitation and Disease Control*

1960-61	$600,000
1961-62	$600,000

TOTAL–DEPARTMENT OF AGRICULTURE

1960-61	$1,273,360
1961-62	$1,267,200

48. STATE FAIR BOARD

A. *State Fair Board*

1960-61	$385,000
1961-62	$385,000

B. *County and Community Fair Premiums*

1960-61	$35,000
1961-62	$35,000

TOTAL–STATE FAIR BOARD

1960-61	$420,000
1961-62	$420,000

49. DEPARTMENT OF CONSERVATION

A. *Office of the Commissioner*

1960-61	$90,345
1961-62	$88,520

B. *Division of Forestry*

1960-61	$ 939,105
1961-62	$1,003,365

C. *Division of Parks*

1960-61	$236,280
1961-62	$238,650

D. *Division of Soil and Water Resources*

1960-61	$158,480
1961-62	$154,665

E. *Specialized Equipment Revolving Fund*

1960-61	$200,000

Any unexpended funds remaining at the end of the fiscal year 1960-61 shall carry forward.

F. *Division of Flood Control and Water Usage*

1960-61	$125,270
1961-62	$ 59,280

G. *Ohio River Valley Water Sanitation Commission*

1960-61	$27,560
1961-62	$27,560

TOTAL–DEPARTMENT OF CONSERVATION

1960-61	$1,777,040
1961-62	$1,572,040

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50. BREAKS INTERSTATE PARK COMMISSION

A. *Breaks Interstate Park Commission.* For matching the Commonwealth of Virginia in the construction, maintenance and operation of Breaks Interstate Park.

1960-61	$67,250
1961-62	$67,250

This appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis provided, however, appropriations to date shall be considered cumulatively and any deficit in appropriations by this State may be removed. The Commissioner of Finance shall be responsible for ensuring that only the amount necessary for matching on an equal basis is allotted.

TOTAL–IV. AGRICULTURE AND CONSERVATION

1960-61	$3,537,650
1961-62	$3,326,490

V. OTHER

51. DEPARTMENT OF FINANCE

A. *Capital Construction.* For expenditure in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes. Any unencumbered balance of this appropriation and of prior capital construction appropriations including balances of appropriations of the State Property and Buildings Commission which were transferred to the Department of Finance by Chapter 56 of the Kentucky Revised Statutes and which remain on June 30, 1960, may be expended thereafter and shall not lapse but shall be carried forward until expended. All monies transferred to the Department of Finance for capital construction from other appropriations in accordance with KRS 56.510 shall not lapse but shall be carried forward until expended. For specific projects refer to the capital outlay document for the 1960-62 biennium. The amount of funds necessary for the activation inventory for the entire medical center shall be expended from the unexpended balance of the appropriation made in Chapter 2, Acts of the General Assembly of the Commonwealth of Kentucky, 1958.

1960-61	$9,844,830
1961-62	$6,835,800

B. *Veterans Bonus Bonds.* For debt administration.

1960-61	Amount Necessary
1961-62	Amount Necessary

For paying principal and interest on bonds issued to pay a veterans bonus to veterans of the Spanish American War, World War I, World War II, and the Korean Conflict.

TOTAL—V. OTHER

1960-61	$9,844,830
1961-62	$6,835,800

PART TWO

STATE ROAD FUND

There is established for the purpose of paying all costs of operation and maintenance of the Department of Highways and for carrying on its activities and functions, a State Road Fund which shall consist of all the revenue realized from fees, taxes and license fees levied for state road purposes now authorized by law, and any additional or other revenues, grants or funds, including any amount which may be received from Federal aid, bond funds, or any other source pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Highways. Such receipts and revenues, together with any balance in the existing State Road Fund as of June 30, 1960, and June 30, 1961, shall constitute the State Road Fund for the fiscal years 1960-61 and 1961-62. There is appropriated from the State Road Fund the following amounts for the following departments, agencies, and subdivisions of the State Government, for the following purposes:

I. HIGHWAY DEPARTMENT GENERALLY

1. DEPARTMENT OF HIGHWAYS

A. *Department of Highways.* For use by the Department in activities, functions, and duties performed by it as prescribed by law, all monies received and placed to the credit of the State Road Fund, not otherwise appropriated in this or any other Act; provided, however, that an annual budget for each fiscal year shall be submitted by the Department of Highways as required by Part Two, Section III of this Act.

2. RURAL HIGHWAYS

A. *Division of Rural Highways.* For improvement, construction, reconstruction and maintenance of county roads and bridges, which have not been accepted by the Department of Highways for maintenance, the sum of Five Million Dollars ($5,000,000) for each of the fiscal years 1960-61 and 1961-62. This appropriation is to be expended in accordance with the provisions of KRS 179.410 to 179.430. Not more than six per cent (6%) of this appropriation shall be used for administration.

B. *Secondary and Rural Roads.* For the construction, reconstruction, and maintenance of secondary and rural roads, two-sevenths of all revenue received under the provisions of KRS 138.220, 138.565, and 177.320. This appropriation is in addition to the amount appropriated under Section I, Subsection 2, Paragraph A, of Part Two of the Appropriation Act.

II. APPROPRIATIONS TO DEPARTMENTS AND AGENCIES OTHER THAN HIGHWAYS

3. DEPARTMENT OF THE TREASURY

A. *Department of the Treasury.* For expenses pertaining to treasury administration for the Department of Highways.

1960-61	$69,460
1961-62	$70,120

4. DEPARTMENT OF FINANCE

A. *Department of Finance General Operations.* For expenses pertaining to financial administration for the Department of Highways.

1960-61	$248,105
1961-62	$253,410

B. *Division of Services.* For expenses of operation of buildings for the Department of Highways and State Police Barracks.

1960-61	$173,105
1961-62	$175,570

TOTAL—DEPARTMENT OF FINANCE

1960-61	$421,210
1961-62	$428,980

5. DEPARTMENT OF PERSONNEL

A. *Department of Personnel.* For expenses pertaining to personnel administration for the Department of Highways.

1960-61	$117,965
1961-62	$118,955

6. DEPARTMENT OF REVENUE

A. *Department of Revenue.* For administering and enforcing the laws pertaining to the gasoline, motor fuels and any other taxes comprising the State Road Fund, and administering and enforcing the laws relating to motor vehicle registration and other laws relating to motor vehicles and highways.

1960-61	$ 986,860
1961-62	$1,007,310

7. DEPARTMENT OF PUBLIC SAFETY

A. *Office of the Commissioner.* For expenses pertaining to the enforcement of laws relating to highway use and safety.

1960-61	$51,985
1961-62	$52,575

B. *Division of State Police.* For expenses pertaining to the enforcement of laws relating to highway use and safety.

1960-61	$4,403,810
1961-62	$4,812,515

C. *Division of Accident Control.* For expenses pertaining to the enforcement of laws relating to highway use and safety.

1960-61	$75,460
1961-62	$77,575

D. *Division of Driver Licensing.* For expenses pertaining to the central issuance of driver licenses and the enforcement of laws relating to motor vehicle operators' responsibility.

1960-61	$340,735
1961-62	$379,090

TOTAL – DEPARTMENT OF PUBLIC SAFETY

1960-61	$4,871,990
1961-62	$5,321,755

8. UNIVERSITY OF KENTUCKY

A. *University of Kentucky Geological Projects.* For expenses pertaining to the acquisition of data used in highway planning and construction.

1960-61	$88,125
1961-62	$88,125

9. DEPARTMENT OF MOTOR TRANSPORTATION

A. *Department of Motor Transportation*

1960-61	$448,170
1961-62	$453,515

10. DEPARTMENT OF PUBLIC RELATIONS

A. *General Operations.* For expenses incident to the preparation, publication and distribution of road maps, booklets, photographs, advertisements and other activities intended to advertise and publicize Kentucky highways and highway conditions, tourist, scenic and travel attractions and places of interest to motorists.

1960-61	$250,000
1961-62	$250,000

TOTAL – APPROPRIATIONS TO DEPARTMENTS AND AGENCIES OTHER THAN HIGHWAYS

1960-61	$7,253,780
1961-62	$7,738,760

III. ADMINISTRATION AND EFFECT

The Department of Highways shall submit an annual budget for each fiscal year to the Department of Finance for approval by the Commissioner of Finance immediately before the fiscal year begins. The budget shall be based upon the most current state road fund revenue estimates and contractual and non-contractual federal aid in which the Department will be eligible to receive during that fiscal year.

The appropriations made by this Act are subject to the provisions of Chapters 12, 42, and 45 of the Kentucky Revised Statutes except where additional requirements are imposed by this Act. Nothing in this Act shall be construed to repeal any appropriation for the fiscal year to the State Road Fund ending June 30, 1960.

PART THREE

REVOLVING, TRUST AND AGENCY FUNDS

There is appropriated to the various boards, commissions, institutions, agencies and/or subdivisions of the State Government only as are listed herein for the fiscal year ending June 30, 1961, and for the fiscal year ending June 30, 1962, all of the fees (which include fees for board and room, athletics, student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, contributions, gifts, subventions, federal grants and other federal receipts and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Revolving or Trust and Agency Fund out of which shall be established separate Revolving or Trust and Agency Fund Accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized.

In the event receipts received and credited to any Revolving or Trust and Agency Fund Account during fiscal year 1960-61 or fiscal year 1961-62 and any balance forwarded to the credit of any such account from the previous fiscal year exceed the appropriation made by specific sum to said account in this Part of this Appropriation Act, the excess is appropriated to the credit of said account for the fiscal year in which the excess occurs; provided, however, that said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the Commissioner of Finance and approval of the Governor.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Revolving or Trust and Agency Fund Account, through the Department of Finance, during the fiscal year ending June 30, 1961, and during the fiscal year ending June 30, 1962, all receipts placed to the credit of the Revolving or Trust and Agency Fund for such year, out of which has been established a Revolving or Trust and Agency Fund Account for each separate agency during such fiscal year, plus any balance which said agency may have had forwarded from the preceding year on or before September 30, of the then current fiscal year, by the Department of Finance.

I. GENERAL GOVERNMENT

1. LEGISLATIVE RESEARCH COMMISSION

A. *Statute Revision—Administrative Regulations*

1960-61	$5,200
1961-62	$1,675

B. *Statute Revision Commission—Printing Revolving Fund.* To be used for the printing and the distribution costs of the Kentucky Revised Statutes, Notes and Annotations to the Kentucky Revised Statutes, and supplements to these publications. Reimbursement shall be made to this account from sales of these publications.

1960-61	$38,360
1961-62	$ 7,445

2. JUDICIARY

A. *Board of Bar Examiners*

1960-61	$10,110
1961-62	$ 9,570

3. AUDITOR OF PUBLIC ACCOUNTS

A. *Auditor of Public Accounts*

1960-61	$36,300
1961-62	$36,150

4. DEPARTMENT OF FINANCE

A. *Paper Revolving Fund.* The balance in the Paper Revolving Fund and all receipts credited to the Fund during the 1960-61 fiscal year and during the 1961-62 fiscal year are appropriated for use during that period.

B. *Division of Services revolving Fund.* To be used in purchasing and providing stamps and postage, supplies, equipment and utility services for the various budget units of State Government who shall make reimbursement for same. Accounting practices shall reflect the current financial status of each function performed with funds in this account. Any unexpended balance remaining at the end of the fiscal year 1960-61 shall not lapse, but shall be available for expenditure during the following fiscal year.

C. *Central Stores Revolving Fund.* The balance in this Fund and all receipts credited to this Fund during the 1960-61 and 1961-62 fiscal year are appropriated for the use in purchasing supplies and services for the various budget units of State Government who shall make reimbursement for same. Any unexpended balance remaining at the end of the fiscal year 1960-61 shall not lapse but shall be available for expenditure during the following fiscal year.

D. *Capital Construction.* All real estate rentals, sales and other receipts including balance brought forward as provided in KRS, Chapter 56.

5. DEPARTMENT OF AERONAUTICS

A. *General Operations*

1960-61	$8,000
1961-62	$8,000

B. *Airport Development.* All federal and local aid received.

6. DEPARTMENT OF MILITARY AFFAIRS

A. *Department of Military Affairs*

7. DEPARTMENT OF PUBLIC SAFETY

A. *Division of State Police*

1960-61	$215,370
1961-62	$215,370

8. DEPARTMENT OF ECONOMIC DEVELOPMENT

A. *General Operations*

1960-61	$ 97,000
1961-62	$114,000

B. *Capital City Metropolitan Plan*

1960-61	$3,800

9. DEPARTMENT OF BUSINESS REGULATION

A. *Board of Accountancy*

B. *Board of Psychology*

C. *Board of Examiners and Registration of Architects*

D. *Board of Barber and Beautician Examiners*

E. *Board of Chiropractic Examiners*

F. *Board of Dental Examiners*

G. *Board of Embalmers and Funeral Directors*

H. *Board of Pharmacy*
I. *Board of Prophylatic Enforcement*
J. *Board of Nursing Education and Nurse Registration*
K. *Board of Veterinary Examiners*
L. *Board of Registration for Professional Engineers*
M. *Kentucky Real Estate Commission*
N. *Board of Optometric Examiners*
O. *Board of Chiropody*
P. *Board of Ophthalmic Dispensers*
Q. *Board of Examiners in Watchmaking*
R. *Board of Physical Therapy*

10. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *Department of Industrial Relations—Workmen's Compensation Board.*

1960-61	$322,020
1961-62	$326,520

11. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals*

1960-61	$52,950
1961-62	$53,280

12. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

A. *Confiscation Expense*

1960-61	$5,000
1961-62	$5,000

13. DEPARTMENT OF BANKING

A. *Department of Banking*

1960-61	$197,030
1961-62	$200,500

B. *Division of Securities*

1960-61	$29,100
1961-62	$30,400

14. COUNTY FEES

A. *Jefferson County Master Commissioner*

B. *Jefferson County Receiver*

C. *County Fees for the Following Counties: Jefferson, Kenton, Fayette, Campbell, and Pike.* For paying the various officials of each county enumerated above, seventy-five per cent (75%) of the fees provided by law to be paid, by the State, to these officials when their claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Commissioner of Finance, and to pay to the Fiscal Court of each of these counties twenty-five per cent (25%) of said fees as required by KRS 64.350.

15. TRUCK LICENSES—COUNTY SHARE

A. *Truck Licenses—County Share.* There shall be credited to this fund for the purpose of distribution to counties such portion of truck licenses as is provided by law, at such times as the Department of Finance may order.

16. DEPARTMENT OF INSURANCE

Notwithstanding any provisions of KRS 136.360, 234.160, 228.030 and 304.463 to the contrary, the following receipts only are authorized to be placed to the credit of the Trust and Agency Fund and are authorized for expenditure out of the Trust and Agency Fund. All other receipts collected during the 1960-62 biennium shall be placed to the credit of the General Expenditure Fund.

A. *Custodian of Securities.* All sums paid for expenses under the provisions of KRS 304.503.

B. *Insurance Examiners Expense.* All fees paid pursuant to the provisions of KRS 304.503. Notwithstanding the provisions of KRS 304.035 to the contrary, any amount unexpended at the end of the 1959-60 fiscal year and each fiscal year thereafter in excess of $10,000 shall lapse to the General Expenditure Fund.

C. *State Fire and Tornado Insurance Fund.* All money remaining in the Fund as of June 30, 1960, and all money placed to the credit of the Fund during the 1960-62 biennium, except that notwithstanding the provision of KRS 56.150 to the contrary, no funds may be used for expenses of administration.

17. KENTUCKY HISTORICAL SOCIETY

A. *Kentucky Historical Society*

1960-61	$8,400
1961-62	$8,500

18. LIBRARY EXTENSION DIVISION

A. *Library Extension Division*

1960-61	$227,320
1961-62	$225,400

19. PUBLIC SERVICE COMMISSION

A. *Public Service Commission*

1960-61	$258,090
1961-62	$261,300

20. DEPARTMENT OF PUBLIC RELATIONS

A. *General Operations*

1960-61	$2,800
1961-62	$2,800

II. HEALTH AND WELFARE

1. DEPARTMENT OF WELFARE

A. *Central Office*

B. *Kentucky Training Home*

1960-61	$40,000
1961-62	$39,080

C. *Penal Institutions*

1960-61	$173,000
1961-62	$174,600

D. *Children's Services*

1960-61	$28,260
1961-62	$25,510

E. *Prison Industries*

1960-61	$876,965
1961-62	$919,340

2. DEPARTMENT OF ECONOMIC SECURITY

A. *Department of Economic Security*

3. DEPARTMENT OF HEALTH

A. *General Operations*

1960-61	$1,207,160
1961-62	$1,214,600

B. *County Health*

1960-61	$135,235
1961-62	$134,890

C. *Water Pollution Control Commission*

1960-61	$54,300
1961-62	$54,300

4. KENTUCKY CRIPPLED CHILDREN COMMISSION

A. *Kentucky Crippled Children Commission*

1960-61	$651,900
1961-62	$639,400

5. STATE TUBERCULOSIS HOSPITAL COMMISSION

A. *State Tuberculosis Hospital Commission*

1960-61	$94,550
1961-62	$94,550

6. DEPARTMENT OF MENTAL HEALTH

A. *Department of Mental Health*

1960-61	$866,100
1961-62	$866,250

7. KENTUCKY COMMISSION ON ALCOHOLISM

A. *Kentucky Commission on Alcoholism*

III. EDUCATION

1. DEPARTMENT OF EDUCATION

A. *General Operations*

1960-61	$325,925
1961-62	$292,650

B. *School Foundation Program*

C. *Veterans' Approval Agency*

D. *School Lunch Program*

E. *School Milk Program*

F. *Guidance Grants to Local Districts*

G. *Mathematics, Science, and Foreign Language Grants to Local Districts*

H. *Young and Adult Farmer Program*

1960-61	$508,800
1961-62	$508,800

I. *Itinerant Instruction*

1960-61	$8,765
1961-62	$9,235

J. *Home Economics Adult Program*

1960-61	$275,000
1961-62	$275,000

K. *Practical Nurse Training Program*

1960-61	$103,000
1961-62	$103,000

L. *Trade and Industrial Education*

1960-61	$310,500
1961-62	$247,500

M. *Technician Training Program*

N. *Distributive Education Adult Program*

1960-61	$47,950
1961-62	$47,950

O. *Institutional On-Farm Training Program*

1960-61	$257,290
1961-62	$137,290

P. *Division of Property Utilization*

1960-61	$291,760
1961-62	$297,730

Q. *Mayo State Vocational School*

1960-61	$164,080
1961-62	$157,800

R. *Northern Kentucky State Vocational School*

1960-61	$12,540
1961-62	$ 3,500

S. *West Kentucky State Vocational School*

1960-61	$44,700
1961-62	$39,700

T. *Bureau of Rehabilitation Services*

1960-61	$549,860
1961-62	$585,845

U. *Kentucky Industries for the Blind*

1960-61	$170,040
1961-62	$171,315

V. *Business Enterprises Program*

1960-61	$ 9,820
1961-62	$10,300

W. *OASI Disability Determination Program*

X. *School for the Blind*

Y. *School for the Deaf*

1960-61	$4,000
1961-62	$4,000

2. UNIVERSITY OF KENTUCKY

A. *University of Kentucky*

1960-61	Amount Received
1961-62	Amount Received

B. *Medical Center*

1960-61	$ 34,630
1961-62	$103,500

3. EASTERN STATE COLLEGE

A. *Eastern State College*

1960-61	Amount Received
1961-62	Amount Received

4. WESTERN STATE COLLEGE

A. *Western State College*

1960-61	Amount Received
1961-62	Amount Received

5. MURRAY STATE COLLEGE

A. *Murray State College*

1960-61	Amount Received
1961-62	Amount Received

6. MOREHEAD STATE COLLEGE

A. *Morehead State College*

1960-61	Amount Received
1961-62	Amount Received

7. KENTUCKY STATE COLLEGE

A. *Kentucky State College*

1960-61	Amount Received
1961-62	Amount Received

8. TEACHERS' RETIREMENT SYSTEM

A. *Teachers' Retirement System*

9. LINCOLN INSTITUTE

A. *Lincoln Institute*

1960-61	$101,000
1961-62	$101,000

IV. AGRICULTURE AND CONSERVATION

1. DEPARTMENT OF AGRICULTURE

A. *Department of Agriculture*

1960-61	$242,280
1961-62	$245,625

B. *Dog Law—Administration and Indemnities and County Share*

2. STATE FAIR BOARD

A. *State Fair Board*

3. DEPARTMENT OF CONSERVATION

A. *Division of Forestry*

1960-61	$580,460
1961-62	$607,315

B. *Division of Parks*

1960-61	$2,383,000
1961-62	$2,383,000

C. *Division of Strip Mining and Reclamation*

1960-61	$67,495
1961-62	$69,240

D. *Division of Soil and Water Resources*

4. DEPARTMENT OF FISH AND WILDLIFE RESOURCES

A. *Department of Fish and Wildlife Resources.*

5. KENTUCKY NATIONAL PARK COMMISSION

A. *Kentucky National Park Commission*

PART FOUR

GENERAL PROVISION

1. Nothing in this Act shall be construed to repeal any appropriation for the fiscal year ending June 30, 1960, and nothing in this Act is to be construed to amend or alter the provisions of Chapter 42 of the Kentucky Revised Statutes pertaining to the duties and powers of the Commissioner of Finance. All questions that arise in interpreting any appropriation in this Act as to the purpose for which the same may be expended shall be decided by the Commissioner of Finance in accordance with the detailed estimates embodied in the budget report, and supporting work papers, as considered by the General Assembly, and the decision of the Commissioner of Finance shall be final and conclusive.

2. Whereas, the finances of the Commonwealth can not be ascertained at this time, and since the actual needs of each officer, department, board, commission, institution, or subdivision of the State Government can only be anticipated and not finally determined by the General Assembly, and since the total amount of revenue accruing to the General Expenditure Fund and to the General Road Fund from which these appropriations are made can only be anticipated through existing laws and those that may hereafter be enacted, it is the purpose and intention of this Act that the expenditures for each fiscal year under Part 1 of this Act shall not exceed the total financial resources anticipated to accrue to the General Expenditure Fund and that the expenditures for each fiscal year under Part 2 of this Act shall not exceed the total financial resources anticipated to accrue to the General Road Fund for the same fiscal year respectively. As the conditions can not be fully determined until after the adjournment of the 1960 General Assembly, and as the needs of each officer, department, board, agency, commission, institution, or subdivision of the State Government and the total financial resources accruing to the General Expenditure Fund and General Road Fund can not be fully determined at this time, it is the intention and the purpose of this General Assembly that the Commissioner of Finance, with the advice of the Commissioner of Revenue and the approval of the Governor of the Commonwealth, is authorized, empowered and directed to ascertain and determine the needs of each officer, department, board, commission, institution or subdivision of the State Government, and to ascertain the total financial resources anticipated to accrue to the General Expenditure Fund and General Road Fund of the Commonwealth, and upon the ascertainment and determination of said facts, he, the Commissioner of Finance, in the manner set forth and as provided by general law, is authorized, empowered and directed by the General Assembly to prevent an overdraft or deficit in any fiscal year for which appropriations are herein made, by equitably reducing, according to need, without discrimination, the appropriations herein made

in Part 1 and Part 2 to any officer, department, board, commission, institution, or subdivision of the State Government; provided that the power vested shall not permit any reduction of the appropriation of any officer, department, board, commission, institution, or subdivision of the State Government that will actually impair the necessary constitutional functions of any agency whose operations and functions are determined to be necessary constitutional functions of government.

3. Receipts in excess of $142,000,000 in the fiscal year 1959-60 together with any additions resulting from liquidation of encumbrances on June 30, 1960 are appropriated to the Department of Finance to be used solely for Capital Construction in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes. Receipts in excess of $212,000,000 in the fiscal year 1960-61, not to exceed $500,000, are hereby appropriated to the Governor's General Emergency Fund to be used by him for the fiscal year 1961-62 for supplementing existing appropriations for ordinary recurring and extraordinary governmental expenses deemed emergencies by the Governor. Receipts in excess of $212,500,000 in the fiscal year 1960-61 are hereby appropriated to the Department of Finançe to be used solely for Capital Construction in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes. Any amount in excess of $6,000,000 of the lapse and surplus at the end of the 1960-61 fiscal year is hereby appropriated to the Department of Finance to be used for Capital Construction in accordance with the provisions of Chapter 56 of the Kentucky Revised Statutes.

4. It is the intent of the General Assembly that funds appropriated for expanded or new programs shall not be used for continuation programs. Therefore, the Commissioner of Finance shall take the proper action to insure that only those funds necessary to initiate and administer the new and expansion programs through the remainder of the biennium are allotted to the various budget units.

5. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof, as a separate and/or specific appropriation and law, and if any section or any subsection thereof shall be held invalid, or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

6. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act, except as provided by Chapters 12, 42, 45, 56, 157, 177, and 341 of the Kentucky Revised Statutes. All laws and parts of laws in conflict with any of the provisions of the above enactment, to the extent of such conflict, are repealed.

SB 72, AN ACT relating to exceptions from the limitations on the maximum debt to banks and trust companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 287.290 of the Kentucky Revised Statutes is amended to read as follows:

In the case of obligations to banks and trust companies, the limitations and restrictions of KRS 287.280 shall not apply to:

(1) Obligations of the United States or of the State of Kentucky;

(2) Obligations guaranteed as to principal and interest by the United States or the State of Kentucky; or all obligations to the extent secured or covered by guarantees or by commitments or agreements to take over or to purchase the same made by any Federal Reserve Bank or by the United States or by any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States; or consolidated bonds issued by or for Federal land banks or consolidated debentures issued by or for Federal intermediate credit banks under the Act of Congress known as the "Federal Farm Loan Act," and amendments thereto; or consolidated debentures issued by or for banks for cooperatives under the Act of Congress known as the "Farm Credit Act of 1933," and amendments thereto; or obligations issued by the Federal home loan banks; or obligations which are insured by the Federal Housing Administrator pursuant to Title 12, Section 12, Section 1713, United States Code, if the debentures to be issued in payment of such insured obligations are guaranteed as to the principal and interest by the United States; or obligations of national mortgage associations;

(3) Obligations of Kentucky Counties and school districts incurred through borrowing in anticipation of the current year's tax receipts as authorized by KRS 68.320 and 160.540.

SB 166, AN ACT relating to real estate dealers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 324.405 of the Kentucky Revised Statutes is amended to read as follows:

(1) Licenses shall be granted only to persons who are trustworthy and competent to transact the business of a real estate broker or salesman in such manner as to safeguard the interests of the public, and only after satisfactory proof of such qualifications has been presented to the commission.

(2) In addition to proof of honesty, truthfulness and good reputa-

tion of any applicant for a license, each applicant must pass a written examination conducted by said commissioner, or its authorized representative, which examination shall be of scope and wording sufficient in the judgment of the commission to establish the competency and trustworthiness of the applicant to act as a real estate broker or salesman in such manner as to protect the interests of the public. Provided, however, no examination shall be required for the renewal of any present or future license unless such license has been revoked, suspended or is allowed to expire without renewal. The commission shall hold examinations at such times and places as it may determine, and an examination fee of twenty-five dollars shall be collected from each applicant to defray the expenses of holding such examinations.

(3) The provisions of subsection (2) requiring applicants to pass a written examination to obtain license shall not apply to real estate brokers or salesmen furnishing satisfactory proof to the commission that they were engaged in the business or occupation of a real estate broker or salesman on January 1, 1956, within the Commonwealth of Kentucky, provided, however, that such real estate brokers and salesmen shall, on or before July 1, 1956, make application to the Kentucky Real Estate Commission for a real estate broker or salesman's license in accordance with provisions of KRS 324.040 and provided further that each application shall be accompanied by a bond and license fee in accordance with the requirements of KRS 324.060 and 324.070.

(4) Every applicant for a broker's or salesman's license shall be at least twenty-one years of age, and shall have graduated from high school or, in the discretion of the commission, shall produce proof of an education equivalent to that of a high school graduate.

Section 2. Section 324.060 of the Kentucky Revised Statutes is amended to read as follows:

Every application for a broker's or salesman's license shall be accompanied by a bond in the sum of five thousand dollars. The bond shall be a cash bond or a surety bond and, if the latter, shall be executed by a surety company authorized to do business in this state and shall be made to the commission, and the bond shall be conditioned that the applicant shall conduct his business in accordance with the provisions of this chapter. The bond shall be in a form approved by the commission; and, in addition to the foregoing, each and every broker and salesman licensed as of July 1, 1960 and thereafter, shall furnish bond in accordance with the provisions hereof.

Section 3. Section 324.070 of the Kentucky Revised Statutes is amended to read as follows:

The original fee for each real estate broker's license shall be ten dollars and the annual renewal fee shall be ten dollars. The original fee for each real estate salesman's license shall be ten dollars and the annual renewal fee shall be five dollars. Provided that when a copartnership, association or corporation shall have paid an original fee of ten dollars or a renewal fee of ten dollars and shall have designated one of its members or officers as provided in KRS 324.110, the fees payable by any other member or officer actively engaged in the real estate business of such copartnership, association, or corporation shall be ten dollars for the first registration fee and five dollars for a renewal fee, for which a salesman's license shall be issued, but any such member or officer shall be entitled to a broker's license upon the payment of the usual fee therefor.

Section 4. Section 324.283 of the Kentucky Revised Statutes is amended to read as follows:

Each member of the commission shall receive as full compensation for each day actually spent on the work of said commission the sum of twenty-five dollars per day and his actual and necessary expenses incurred in the performance of duties pertaining to his office.

Section 5. Section 324.330 of the Kentucky Revised Statutes is amended to read as follows:

Notice in writing shall be given to the commission by each licensee of any change of principal business location whereupon the commission shall issue a new license for the unexpired period and shall charge two dollars for effecting the change on its records. This shall apply to both brokers and salesmen. The change of business location without notification to the commission shall automatically cancel the license theretofore issued.

Section 6. Section 324.990 of the Kentucky Revised Statutes is amended to read as follows:

Any person who violates any provision of this chapter shall be fined not less than one hundred dollars nor more than one thousand dollars, or imprisoned for a term not to exceed six months, or both. Upon conviction, in addition to the aforesaid fine, there shall be added to the fine the amount of any real estate brokerage commission paid or received as a result of the violation or violations in question. Each transaction shall be regarded as a separate offense and shall be punished as such.

Section 7. Section 324.116 of the Kentucky Revised Statutes is repealed.

SB 208, AN ACT relating to county forests.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Section 149.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon the estimate and recommendation of the fiscal court, the Budget Commission at the time of fixing the rate of the tax levies and making the appropriations for said county, may fix a tax levy which shall be uniform throughout the county for the purpose of creating and maintaining a county forestry fund and may make appropriations from such fund or from the general fund for the purchase and acquisition by the fiscal court of lands to be owned, held and maintained by such county for a permanent public forest.

(2) Where the funds acquired through operation of county forests pursuant to Section 2 hereof are insufficient for proper maintenance of such permanent public forests and where the fiscal court has by proper resolution delegated the supervision and maintenance of such forest to a park, playground and recreation board created pursuant to Chapter 97 Kentucky Revised Statutes, the fiscal court may appropriate from the forestry fund or from the general fund such sums as it feels are necessary for the proper maintenance and improvement of forest lands of said county.

Section 2. That Section 149.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any land which shall be acquired by any county for the purpose of a permanent public forest under the provisions of KRS 149.200 to 149.270, if not growing in timber at the time of acquisition, shall be planted to trees within a period of ten years after being acquired and any county is hereby empowered to raise a sufficient sum by taxation to reforest any such land within the required period of time. All revenue derived from such forest land by the sale of timber or otherwise shall accrue to the use of the county owning and holding such land. Such revenues shall be applied first to the upkeep and maintenance of such public forest and secondly for the purchase and acquisition of such additional lands as shall be determined upon by said fiscal court and the remainder of such revenue shall be used by the county owning and holding such forest land as the fiscal court shall determine from year to year.

(2) Whenever a fiscal court has delegated the power to maintain a county forest pursuant to Section 1 hereof to a park, playground and recreation board organized under Chapter 97 Kentucky Revised Statutes, the planting of trees in said forest and the harvesting of said forest shall be managed by said board so long as said power is delegated to it and revenue received from said forestry operation including the sale of timber or otherwise may be expended by said board in the reasonable upkeep and maintenance of such public forest.

Section 3. That Section 149.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) All lands acquired under the provisions of KRS 149.200 to 149.270 shall be protected at all times, as far as possible, from fire and grazing, and shall be kept and maintained as a permanent public forest, and the timber growing thereon shall be cut in accordance with approved forestry methods and in such manner as to perpetuate succeeding stands of trees. All such forest lands shall be open to the use of the public for recreational purpose when deemed desirable by the Fiscal Court, or its duly authorized park, playground and recreation board.

(2) Whenever the fiscal court of a county has delegated maintenance and operation of a forest as provided in Section 1 of this chapter to a duly organized park, playground and recreation board, the management of recreation and recreation facilities in said park shall be vested in said board.

Section 4. That Section 149.270 of the Kentucky Revised Statutes is amended to read as follows:

(1) Such public forests shall be under the supervision of the fiscal court and it is hereby authorized and empowered, either separately or in cooperation with other boards or commissions, to employ necessary and competent supervisors and laborers to properly protect and care for such forests and to perform the necessary duties connected therewith and any county owning and holding land as a public forest shall at all times have the privilege of obtaining the advice, counsel and cooperation of the Division of Forestry in the Department of Conservation in the planting of trees, the marketing of timber, the prevention of fire, and in any matter that may pertain to the efficient maintenance of such public forest, provided, however, that where a park, playground and recreation board has been established in a county by action of a fiscal court as authorized by Chapter 97 Kentucky Revised Statutes, the fiscal court of said county may by resolution delegate the management, control and operation of such forest including supervision of such public forest and employment of supervisors and laborers to properly protect and care for such forest and to perform the necessary duties connected therewith to such park, playground and recreation board.

SB 73, AN ACT relating to investment of bank funds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 287.100 of the Kentucky Revised Statutes is amended to read as follows:

A bank may:

(1) Hold such personal property as has been transferred to it as collateral for the payment of any debt;

(2) Acquire and hold title to such real estate as may be necessary for the transaction of its legitimate business;

(3) Acquire and hold for not longer than ten years, any real estate conveyed to it in satisfaction of debts previously contracted in the course of its business, or that it may purchase under a judgment in its favor;

(4) Invest in the bonds of any Federal Home Loan Bank;

(5) Invest in any bonds issued by or for Federal land banks and any debentures issued by or for Federal intermediate credit banks under the Act of Congress known as the "Federal Farm Loan Act," and amendments thereto, and any debentures issued by or for banks for cooperatives under the Act of Congress known as the "Farm Credit Act of 1933," and any amendments thereto.

SB 116, AN ACT providing for the inclusion of the name of the draftsman on recorded real estate and chattel documents and corporate papers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

No county clerk or deputy county clerk shall permit the recording of any instrument by which the title to real estate or personal property, or any interest therein or lien thereon, is conveyed, granted, encumbered, assigned, or otherwise disposed of, or any instrument relating to the organization or dissolution of a private corporation, unless the name of the person who prepared such instrument appears at the conclusion of such instrument and such name is either printed, typewritten or stamped and signed in a legible manner.

SB 165, AN ACT relating to the administration of unemployment insurance, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 341.110 of the Kentucky Revised Statutes is amended to read as follows:

•(1) In the Department of Economic Security there shall be an Unemployment Insurance Commission composed of the Commissioner of Economic Security and two associate commissioners appointed by the Governor.

(2) The Commissioner shall represent the state and the public and shall be chairman of the Commission. One associate commissioner shall be appointed as a representative of labor and one as a representative of employers. The chairman and one other member of the Commission shall constitute a quorum.

(3) The associate commissioners shall be appointed on the basis of their merit and fitness to perform their duties and exercise the responsibilities of their offices. They shall be citizens of this state and not less than thirty years of age.

(4) The terms of each associate commissioner shall be for four years from the date of appointment and until a successor is appointed and qualified, except that appointments to vacancies shall be for the unexpired term.

(5) The compensation of the associate commissioners shall be $4,800 per annum.

Section 2. Section 341.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) A lien on a parity with state, county, and municipal ad valorem tax liens, and superior to the lien of any mortgage or other encumbrance heretofore or hereafter created is hereby created in favor of the Division upon all property of any subject employer from whom contributions, interest or penalties are or may hereafter become due. This lien shall be for a sum equal to the amount at any time due from each subject employer to the Division on account of contributions, interest and penalties thereon. The lien shall commence from such time as the contributions, interest or penalties become due.

(2) The Commissioner may file notice of this lien with the county court clerk of any county where the subject employer has property, giving the name of the subject employer, his address, and the amount of the lien. The clerk shall file same in the same manner as lis pendens are filed. The files shall be designated "Miscellaneous State Tax Liens." The notice, when so filed, shall be conclusive notice to all persons of the lien on the property having legal situs in that county, except that nothing in this chapter shall be construed to alter or change in any way the law relative to the rights and duties of a holder in due course as provided in KRS Chapter 356, or affect the rights of any person taking the property or a lien thereon for value without actual or constructive notice. The clerk shall be entitled to a fee of $1.25 for filing the lien, and said fee shall become a part of the lien as an added cost of the delinquent subject employer to be paid by him as a part of the amount necessary to release the lien, and in no event shall the Commonwealth, the Department or the Division be required to pay same.

(3) In addition and as an alternative to any other remedy, the Commissioner may enforce the lien by petition in the name of this state to the circuit court of Franklin County, if the ministerial acts necessary to enforce the lien by the sale of the liened property or any part of it are performed by the appropriate officers of the circuit court of the county in which the property is situated under

the direction of and reporting to the Franklin Circuit Court. The manner of enforcement shall be the same as that provided for the enforcement of other tax liens.

(4) (a) The Commissioner may issue a certificate of release of lien upon the furnishing of a corporate surety bond satisfactory to the Commissioner by such employing unit in the amount of one hundred and twenty-five (125) percent of the sum of such contributions, interest and penalty, for which lien is claimed, conditioned upon the prompt payment of such contribution, together with interest and penalty thereon, by such employing unit to the Division in accordance with the provisions set forth in such bond.

(b) The Commissioner may issue a certificate of partial release of any part of the property subject to the lien if he finds that the fair market value of that part of such property remaining subject to the lien is at least equal to the amount of all other liens upon such property plus double the amount of the liability for contributions, interest and penalties thereon remaining unsatisfied.

(c) The Commissioner may issue a certificate of partial release of any part of the property or individual piece of property subject to the lien if he finds that the interest of the Commonwealth in the property to be so released has no value.

Section 3. Whereas there is no statutory authority whereby liens which are of no value to the Commonwealth may now be released, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

SB 219, AN ACT relating to condemnation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Whenever the fiscal court of any county deems it to be in the best interest of the county to acquire additional land adjacent to an existing county road to provide for future widening and improvement of said road, and the fiscal court is unable to contract with the owners of the land required for such purposes for its purchase or to acquire the same by gift, the land may be condemned under the provisions set forth in KRS 416.110 or KRS 416.115.

(2) The resolution authorizing condemnation shall set forth the facts of the proposed acquisition, including a description of the land sought to be acquired, which description may be stated in widths from the existing centerline of the road proposed to be improved. In condemnation for future improvement under this section it shall not be necessary for the county to have completed plans for actual construction; provided, the property owner is furnished with an accurate description of the property sought to be condemned. The

right of way thus obtained shall be for reasonably foreseeable future construction and improvement in conformity with the existing grade of said road and with free access to adjacent property.

HB 207, AN ACT relating to dairy product marketing, and repealing KRS 260.300 to KRS 260.390 inclusive:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act shall be known as the "Milk Marketing Law."

Section 2. As used in this Act, unless otherwise required by context:

(1) "Commission" means the Milk Marketing and Antimonopoly Commission;

(2) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics.

(3) "Person means any individual, corporation, partnership, association, cooperative, or other business unit;

(4) "Producer" means every person who produces milk or cream from cows and thereafter sells the same as milk, cream, or other dairy products;

(5) "Producer-handler" means any person who maintains his own herd, prepares for human consumption the milk or cream or other dairy products produced from the herd, and distributes and sells his own products, partially or exclusively, to customers or to others for sale to consumers;

(6) "Milk dealer" or "handler" means any person, including any distributor, processor, bulk milk handler, or operator of a store, who purchases or receives on consignment or otherwise, milk, cottage cheese or frozen dairy products, as hereinafter defined, within the state, for sale, shipment, storage, processing or manufacture, other than for consumption on the premises; a producer who delivers milk only to a processor, distributor or bulk milk handler shall not be deemed a milk dealer or handler; if a cooperative distributes or makes available on consignment or otherwise, milk, cottage cheese or frozen dairy products, within this state, to any person, it shall be deemed to be a milk dealer or handler as to that part of its business;

(7) "Consumer" means any person, other than a milk dealer or handler, who purchases milk, cottage cheese, or frozen dairy products for the consumption or use by himself or others;

(8) "Cooperative" means the term as defined in KRS Chapter 272, or an association organized under similar laws of another state;

(9) "Licensee" means a licensed milk dealer or handler;

(10) "Distributor" means any person, other than a bulk milk handler, engaged in the business of distributing milk, cottage cheese or frozen dairy products at wholesale or retail to consumers, stores or other distributors;

(11) "Processor" means any person engaged in the business of processing or packaging bulk milk and other materials into milk, cottage cheese or any frozen dairy products;

(12) "Cost to the processor or distributor" means the price paid for raw materials, plus the cost of doing business, as evidenced by the standards and methods of accounting regularly employed by such processor or distributor. The cost of doing business means all costs of doing business incurred in the conduct of the business and shall include without limitation the following items of expense: Labor (including salaries of executives and officers), rent, interest on borrowed capital, depreciation, power, supplies, maintenance of equipment, selling costs, transportation, delivery cost, credit losses, all overhead expense, and all types of licenses, taxes, insurance and advertising:

Provided, however, that for the purpose of computing the cost of the processor or the distributor with respect to the milk deliveries received from producers or their marketing agent, the cost shall be not less than

(a) The amount computed at the applicable minimum Federal order price as it applies to the processor or the distributor who is subject to the classification and pricing provisions of a Federal marketing agreement or order issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, or

(b) The amount computed at such minimum price or prices as may have been fixed by the official order of the commission for the geographic area in which the plant of the processor or the distributor is located as it applies to the processor or the distributor who is not subject to the classification and pricing provisions of a Federal marketing agreement or order issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended

(13) "Bulk Milk" means milk in bulk form, in cans, tank cars or tank trucks, that is furnished to a processor for the purpose of processing and manufacturing into milk, cottage cheese, or frozen dairy products, or any combination thereof;

(14) "Bulk milk handler" means any person engaged in the business of disposing of bulk milk to a processor, provided, that the term "bulk milk handler" shall not include a cooperative association with respect to the sale of the milk of its members;

(15) "Cost of a bulk milk handler" means the price paid dairy farmers for the milk, plus receiving plant charge or a reasonable

charge to cover all costs of operating his own receiving plant, plus transportation cost to the point of delivery to the purchaser.

(16) "Store" includes any mercantile establishment that sells at retail milk, cottage cheese or frozen dairy products;

(17) "Cost to the store" means the invoice price paid by the retailer plus the retailer's cost of doing business, as evidenced by the standards and methods of accounting regularly employed by such store, including, but not limited to, all costs incurred in the conduct of said store such as labor (including salaries of executives and officers), rent, interest on borrowed capital, depreciation, power, supplies, maintenance of equipment, selling costs, advertising, transportation, delivery costs, credit losses, all overhead expenses, and all types of licenses, taxes, insurance and advertising;

(18) "Milk" means fluid milk, sweet cream, sour cream, skim milk, flavored milk, buttermilk, and condensed or concentrated whole or skim milk for use in fluid milk products;

(19) "Cottage cheese" means the soft uncured cheese prepared from the curd obtained by adding bacteria, with or without enzymatic action, to skim milk or reconstituted skim milk, prepared with or without mixture with cream or mixture of cream and milk or skim milk;

(20) "Frozen dairy products" means ice cream, ice cream mix, and any frozen substance, mixture or compound, regardless of the name under which it is represented, which is made in imitation or semblance of ice cream or sherbet, when prepared or manufactured for commercial purposes;

(21) "Books and records" means all pertinent books, ledgers, journals, records, papers, memoranda, correspondence, vouchers, bills, receipts, canceled checks, accounts, exhibits, photographs and other documents.

Section 3

(1) There is hereby created the Milk Marketing and Antimonopoly Commission, which shall consist of six members. The membership of this commission shall be composed of the Commissioner of Agriculture, Labor and Statistics, who shall hold office ex officio, and five others to be selected by the Governor. Of the five members selected by the Governor, one shall be appointed from a list of four persons submitted by the Director of the Agricultural Experiment Station, one shall be appointed from a list of four persons submitted by the Kentucky Farm Bureau Federation and one shall be appointed from a list of four persons submitted by the Dairy Products Association of Kentucky, two shall be selected and appointed by the Governor. Both the Dairy Products Association of Kentucky and the Kentucky Farm Bureau Federation shall present two names from the first four congressional districts and two names

from the second four congressional districts, and one member shall be selected from each of the two groups of congressional districts. All members shall be citizens of the United States and residents of the Commonwealth.

(2) All members shall serve a term of four years and until their successors are appointed and qualified, except that the five members first appointed shall hold office as follows: One for one year, one for two years, one for three years, and two for four years, from the effective date of this Act. Vacancies occurring during a term shall be filled by appointment for the unexpired term as provided in subsection (1) of this section.

(3) The Commissioner of Agriculture, Labor and Statistics shall be the chairman of the commission and the commission shall select a vice-chairman from among its members. The chairman and vice-chairman shall preside at all meetings and vote as any other member.

(4) Any action or order of the commission shall require the approval of at least four members.

(5) All members of the commission shall be reimbursed for their actual expenses and each appointed member shall be paid, in addition, twenty dollars for each day spent in the discharge of his official duties. No member of the commission during his tenure of office, shall hold any other office under the laws of the Commonwealth or the United States, with the exception of the Commissioner of Agriculture, Labor and Statistics.

(6) The office of the commission shall be in the Department of Agriculture, Labor and Statistics at the State Capitol in Frankfort.

(7) The commission shall be called into session at such times as there are matters for its consideration. It shall meet at least once each calendar year at Frankfort or at such other place that may be determined.

(8) The Commissioner may, and at the request of four members shall, call the meetings of the commission. Four members shall constitute a quorum. Four members may call the commission together for the transaction of business, if the commissioner, upon request of four members, refuses to call it.

Section 4. This Act shall be administered by the Milk Marketing and Antimonopoly Commission;

Section 5. The Commonwealth shall not be liable for the acts or omissions of the commission or any member, officer, agent or employee thereof, or upon any contract entered into by the commission. No member of the commission and no officer, agent or employee thereof, shall be personally liable on any contract or agreement of the commission. All salaries, expenses, costs and liabilities incurred under the provisions of this Act shall be the obligations of the commission.

Section 6.

(1) The commission may employ such attorneys, clerks and empoyees as it deems necessary to carry out the provisions of this Act. Any officer, employee or agent of the commission may be required to give bond as provided in KRS 62.060.

(2) No member or person employed in the work of the commission shall, for a period of two years after leaving the service of the commission, be eligible to appear before the commission representing any person interested in any proceeding pending before the commission.

Section 7.

(1) No distributor, processor, bulk milk handler, store or producer-handler, either directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, employee, partner, agent or representative thereof, shall for the purpose or with the effect of restraining, lessening or destroying competition or injuring one or more competitors or injuring one or more persons dealing in milk, cottage cheese, or frozen dairy products or to impair or prevent fair competition in the sale of milk, cottage cheese or frozen dairy products in this state, threaten or engage in any marketing practice established to be unreasonable by the commission, including, but not limited to, the marketing practices or methods of doing business described in this section.

(a) Advertise for sale any article or product at less than the cost thereof to such vendor, or give, offer to give or advertise the intent to give away any article or product, for the purpose of injuring competitors and destroying competition, or with the effect of otherwise injuring a competitor, or of destroying competition, or of creating a monopoly.

(b) Discriminate in price in the sale of any milk, cottage cheese, or frozen dairy products between different towns, cities, municipalities, counties, sections or communities, or portions thereof or locations therein, in this state, by advertising, offering to sell or selling milk, cottage cheese or frozen dairy products at a lower price in one town, city municipality, county, section, or community, or portions thereof or locations therein, than in another, after making allowance for different, if any, in the grade or quality, and in the actual cost of transportation to point of delivery.

(c) Give, or offer to give, or allow any secret rebate, unearned discount, free service or services, financial aid, free equipment or any other thing of value to any purchaser or consignee in connection with the sale or consignment of milk, cottage cheese or frozen dairy products.

(d) The provisions of subsections (a), (b) and (c) shall not apply to advertisements or offers to sell, or sales made:

1. In closing out in good faith the owner's stock or any part thereof for the purpose of discontinuing his trade or business if notice is given to the public thereof.

2. When the milk, cottage cheese or frozen dairy product is damaged or deteriorated in quality and notice is given to the public thereof.

3. By an officer acting under the orders of any court.

4. In an endeavor made in good faith to meet the legal prices of a competitor selling the same article in the same locality or trade area.

(2) No distributor, processor, bulk milk handler, or producer-handler, shall furnish, give, lend, sell or rent to any store any advertising material of any form except matter advertising the products of such distributor, processor, bulk milk handler, or producer-handler, and provided that if such advertising is furnished, given, loaned, sold or rented not more than one-third of such space or cost of such advertising matter shall be used to identify the store.

Section 8.

(1) The right of private enterprise to determine and establish the price or prices for sale of its products shall not be affected by this Act, and nothing contained herein shall be construed to authorize or permit the commission to set, fix, or establish any price or prices, for sale of any milk, cottage cheese, or frozen dairy product, or any other product.

(2) Under rules prescribed by the commission, each milk dealer or handler, including producer-handlers, shall file with the commission, within such time and in such form as the commission designates, schedules showing all prices estabished by such dealer or handler for milk, cottage cheese, or frozen dairy products. The dealer or handler shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.

(3) Price schedules on any class of milk, cottage cheese or frozen dairy products can be superseded, changed or withdrawn only on forms prescribed and furnished by the commission and by filing a copy of the new or modified price schedule with the commission at such time and in the manner required by such rules as the commission prescribes.

Section 9.

(1) The commission is authorized and empowered:

(a) To call together milk dealers or handlers and producer-handlers for the purpose or inquiry into marketing practices prevailing from time to time in this State, and if need be, to conduct investigations and/or hearings in connection with such practices for the purpose of making findings relative to any marketing practice found to exist within this State involving the sale or distribution of milk, cottage cheese, or frozen dairy products covered by this Act, and thereafter to promulgate reasonable rules or regulations for the elimination of any such practice found to be contrary to the provisions of this Act; and

(b) To establish as a public record the minimum prices applicable to the milk deliveries of producers to a processor or a distributor. Such prices shall be used solely for the purpose of computing the cost of a processor or a distributor pursuant to Section 2 (12) (b) hereof. These minimum prices shall, in the discretion of the commission, be established for a processor or a distributor located or distributing milk or milk products in marketing areas as defined by counties or other appropriate geographical subdivision.

(2) Upon receipt of a written complaint filed with the commission by any milk dealer or handler, producer-handler or recognized association thereof, the commission may initiate proceedings, for the purpose of hearing and investigating evidence of the failure or refusal of any person to comply with the provisions of this Act or the rules, regulations and orders of the commission issued thereunder after first giving five days notice to the alleged violator as to the date and time fixed for the hearing and the nature of the charge or charges. Each witness required to attend the hearing shall be entitled to receive mileage customarily paid to the witnesses in the courts of the Commonwealth. The commission shall not be bound by technical rules of evidence, except as may be required by the applicable administrative procedure laws of the Commonwealth.

(3) The commission shall have the power during the course of an investigation or hearing to issue subpoenas requiring the attendance and testimony of, or the production of books and records by, any person believed to have information of importance to the hearing or investigation, or possessing any books or records of importance to the hearing or investigation.

(4) Any person who refused to obey a subpoena issued by the commission, or refuses to be sworn or affirmed, or testify, or who is guilty of any contempt after summons to appear, may be punished as for contempt of court. For this purpose, an application may be made by the commission to the court of the circuit within whose territorial jurisdiction the hearing or investigation is being conducted.

(5) Every rule, regulation or order of the commission shall be posted for public inspection in the main office of the commission and copies of such a rule, regulation or order shall be made available and mailed to all licensees and producer groups and organizations affected thereby. Such rule, regulation or order of the commission, when duly posted or when properly served, shall have the force and effect of law.

Section 10.

All acts, proceedings, rules, regulations, orders, papers, findings, minutes and records of the commission and all reports and documents filed with the commission may be proved in any court of the Commonwealth by copy thereof, certified to by the chairman or secretary of the commission.

Section 11.

(1) The commission may confer with legally constituted authorities of other states and of the United States with respect to uniform milk marketing practices. The commissions may join with authorities of other states and with authorities of the United States to conduct joint investigations, to exchange information, hold joint hearings and issue joint, complementary or concurrent orders, and to enter into compacts upon milk marketing practices.

(2) The commission may grant exemptions from any provisions of this Act with respect to distribution or sale of products made to the United States or the Commonwealth or any agency, department, division or institution of either, or to any public institution supported in whole or in part by public funds.

Section 12.

(1) Every milk dealer or handler who owns or operates facilities at which milk, cottage cheese and frozen dairy products are received, or processed for distribution or sale within the Commonwealth, or who sells milk, cottage cheese or frozen dairy products within the Commonwealth, shall make application for a license as a milk dealer or handler with the commission within thirty days after this Act takes effect, or prior to engaging in business, and annually thereafter, on or before January 1, upon a form to be prescribed by the commission. Such application shall be accompanied by a license fee of one dollar. Renewal fee shall be one dollar. Any licensee failing to renew his license before the expiration date thereof shall be penalized two dollars in addition to his license fee.

(2) The license required by this Act shall be in addition to any other license or licenses which are now or may hereafter be required by law.

(3) Producer-handlers who distribute or sell a total quantity of milk, cottage cheese, and frozen dairy products, not in excess of an equivalent of two thousand pounds of whole milk in any one day, shall be exempted from the license requirement.

(4) Licenses may not be assigned or transferred.

Section 13.

(1) The commission may decline to grant a license to an applicant or may suspend or revoke a license for the following causes:

(a) Failure to account and make payment for any milk purchased or received from a producer, milk dealer or cooperative that is marketing the milk of its member-producers. Provided, however, that if it be shown that there was reasonable cause for any such failure to account and make payment, and that such accounting and payment can and will be made promptly, the commission shall not suspend or revoke a license solely for such conduct, until a reasonable opportunity has been afforded the licensee to make accounting and payment;

(b) Doing any act injurious to public health or welfare or doing any act injurious to trade or commerce by disruption of the orderly marketing of milk, cottage cheese, or frozen dairy products to such an extent as to interfere with the ample supply thereof for the inhabitants of the Commonwealth. Such act shall include any course of conduct on the part of the milk dealer or handler in violation of the terms of this Act or any valid rules, regulations and orders of the commission;

(c) Making a general assignment for the benefit of creditors, or being adjudged a bankrupt;

(d) Participating in practices in selling or otherwise disposing of milk at prices which create a condition of emergency, by disrupting and undermining orderly marketing practices or by imperiling the ability of milk dealers or handlers to make full and prompt payment for such milk;

(e) Failure to keep books and records or to furnish accurately the reports, statements or other information required by the commission;

(f) Having made any statement upon which a license was issued, which is found to have been false or misleading in any particular;

(g) Violation of any of the provisions of this Act, or any of the rules, regulations or orders of the commission;

(h) Failing to pay any judgment rendered as a result of any violation of the provisions of this Act, or the rules and regulations promulgated by the commission;

(i) Refusal without reasonable cause to receive milk from a producer because it was not transported to the milk dealer or handler by a hauler of the dealer's or handler's choosing, providing that such producer or hauler has adequate facilities and equipment for hauling, and is delivering or is ready, able and willing to deliver, milk to the plant of such dealer or handler in proper condition and at the time necessary to coincide with the current schedule of plant operations of the dealer or handler;

(j) Any conduct constituting a misrepresentation or fraud on the public.

(2) The burden of proving reasonable cause under any provisions

of this section shall be upon the milk dealer or handler. The issuance or renewal by the commission of a license hereunder shall not preclude the commission from suspending or revoking such license for a violation committed by the licensee prior to the current license period.

Section 14.

Before refusing to grant or to reissue, or before suspending or revoking a license, the commission shall give such licensee an opportunity to be heard and shall give notice to such licensee by registered mail at least five days prior to the hearing containing a statement of the matters complained of. After such hearing and after reaching a decision, the commission shall notify the licensee by registered mail within ten days.

Section 15.

(1) A party affected by an order of the commission may file a petition for review in the circuit court of the county in which he resides within twenty days after the service of the final decision of the commission.

(2) Copies of the petition shall be served upon the commission and all other parties of record. The court, in its discretion, may permit other interested parties to intervene. The filing of the petition shall not stay enforcement of the commission's decision; but the commission may do so, or the reviewing court may order a stay upon such terms as it deems proper.

(3) Within twenty days after service of the petition, or within such further time as the court may allow, the commission shall transmit to the reviewing court the original or a certified copy of the entire record under review; but, by stipulation of all parties to the review proceeding, the record may be shortened. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional cost. The court may require or permit subsequent corrections or additions to the record when deemed desirable.

(4) The review shall be conducted by the court without a jury and shall be confined to the record, except that in cases of alleged irregularities in procedure before the commission, not shown in the record, testimony thereon may be taken in the court. The court shall, upon request, hear oral argument and receive written briefs.

(5) The court may affirm the decision of the commission or remand the case for further proceedings; or it may reverse or modify the decision if the substantial rights of the petitioners may have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

(a) in violation of constitutional provisions;

(b) in excess of the statutory authority or jurisdiction of the agency;

(c) made upon unlawful procedure;

(d) affected by other error of law;

(e) unsupported by competent, material, and substantial evidence in view of the entire record as submitted;

(f) arbitrary or capricious.

Section 16.

(1) In addition to the annual license fee there is imposed an assessment on all milk, except bulk milk, and on cottage cheese and frozen dairy products sold in the Commonwealth or packaged or processed in the Commonwealth for distribution therein. The assessment shall be a fee of not more than four mills per hundred weight on all milk used or processed in packaged or processed milk and cottage cheese; a fee of not more than one mill on each gallon of frozen dairy products with the exception of ice cream mix; and one quarter mill per dozen frozen novelties; and a fee of two mills on each gallon of ice cream mix. The commission may fix such assessment fees at lesser amounts and adjust such fees from time to time.

(2) The assessment fees shall be paid to the commission by:

(a) Each distributor with respect to the sale or disposition of milk, cottage cheese and frozen dairy products to consumers, or stores, or other distributors, within the Commonwealth; and

(b) Each store with respect to its purchases of milk, cottage cheese or frozen dairy products from any source other than from distributors who are subject to the reporting and payment provisions of this section.

(3) (a) The assessment fees shall be payable to the commission on or before the last day of the month following the month during which such products were sold or disposed of. Such returns shall be on forms to be prescribed and furnished by the commission, and shall contain such information as the commission may require. The commission may in addition require each milk dealer or handler, including a producer-handler, to file a return with the commission for any month, giving such information as the commission may require.

(b) All information furnished to or acquired by the commission pursuant to this chapter shall be kept confidential by all members and employees of the commission and only such information as the commission deems relevant shall be disclosed by it, and then only in an administrative or court proceeding.

(4) The assessment fees provided by this Act shall not apply to milk, cottage cheese and frozen dairy products used or consumed on the farm where produced or manufactured, or distributed or sold by producer-handlers and stores in a total quantity not to exceed an equivalent of two thousand pounds of whole fluid milk during a day.

Section 17.

All fees and other moneys received by the commisison pursuant to the provision of this Act shall be paid to the commission, and shall be deposited in the State Treasury to the credit of a revolving fund for use of the commission in the administration of this Act.

Section 18.

Whenever in the judgment of the commission any person who holds a license or is subject to licensing under this Act has engaged in or is about to engage in any acts or practices that constitute a violation of this Act, or of any rules promulgated by the commission, the commission may make application to the court for an order enjoining such act or acts or practices.

Section 19.

Any person who holds a license or is subject to licensing under this Act who violates any provision of this Act or any rules, regulation or order of the commission shall be fined not more than five hundred dollars or imprisoned for not less than one day nor more than thirty days, or both, for each offense. Each day's violation is to constitute a separate offense.

Section 20.

If any provision of this Act, or its application to any person or set of circumstances, is held invalid, such invalidity shall not affect the remaining provisions or any other applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Section 21.

KRS 260.300 to KRS 260.390 inclusive is hereby repealed.

Calendar

HB 200 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

House Message

Announcing passage of **HB 229, HB 270, HB 273, HB 274, HB 275, HB 276, HB 277, HR 70, SB 26, SB 82, SB 106,** with House amendment.

Orders of the Day

HB 199 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 199.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 6—Bassett, Byers, Hamilton, Hubbard, Johnson, Logan. **HB 199** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 199** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 182 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 182.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 182** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 182** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported **SB 26, SB 82, HB 71, HB 104, HB 152, HB 175** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Ware moved to take up the House Amendment to **SB 106** for concurrence. Agreed.

Senator Ware moved the adoption of House Amendment to **SB 106.** Agreed.

Said Amendment is as follows:

Amend **SB 106,** on page 1, Section 1, line 2 by deleting the word "sixth" and inserting in lieu thereof the word "fifth".

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 106** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 106,** as amended, was passed be reconsidered and said motion be laid on the table. Agreed.

HB 42 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 42**. Agreed.

On the roll call the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White Young. Nays 0. **HB 42** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 42** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 48 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 48**. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Brand, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kelly, Kidwell, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 48** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 48** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Requesting the return of **SB 82**.

Point of Order—Senator Kidwell announced that **SB 82** had been signed by the President and is no longer the property of the Senate. President ruled the point well taken.

HB 117 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 117**. Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Blake, Brand, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 117** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 117** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 235 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 235.** Agreed.

On the roll call, the vote was: Yeas 27—Blake, Brand, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 235** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 235** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 236 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 236.** Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Brand, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 236** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 236** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 237 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 237.** Agreed.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Brand, Byers, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 237** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 237** was passed be reconsidered and said motion be laid on the table.

HB 238 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 238.** Agreed.

On the roll call, the vote was: Yeas 31—Bishop, Blake, Brand, Byers, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann Melton, Raney, Richmond, Ware, White, Young. Nays 0. **HB 238** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 238** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 135 taken from Orders of the Day and ordered read at length for the third time.

Amendment #1 by Senator Duffy, who moved the adoption. Agreed.

Amend printed copy of **SB 135** on page 10, section 6, line 14, by deleting the words "or any peace officer"

Amendment #2 by Senator Duffy, who moved the adoption. Agreed.

Amend printed copy of **SB 135** on page 13, section 9, line 1, by deleting the entire Section 9

Senator Duffy moved the Previous Question on **SB 135** as amended. Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 135** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 135** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 180 taken from Orders of the Day. Senator Ware moved that consideration of said bill be deferred and that it retain its place in Orders of the Day.

HB 142, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the adoption of the Committee Amendment. Agreed.

Said Committee Amendment is as follows:

"Amend printed copy of **HB 142** on page 2, by deleting line 23 and add a line to read as follows: exceed 15 dollars per day for attendance upon the hearing."

Senator Ware moved the Previous Question on **HB 142**, as amended. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware White. Nays 0. **HB 142** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 142** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 56 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Jackson moved the Previous Question on **HB 56.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware White. Nays 0. **HB 56** was passed.

Senator Francis moved adoption of title amendment to **HB 56.** Agreed.

Said amendment to title is as follows:

"Amend the title that House Bill be known as the Kelly-Jackson-Conley Act."

Senator Kelly moved that the vote by which **HB 56** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 184 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Kinkead, who moved the adoption. Agreed.

Said Amendment #1 is as follows:

"Amend printed copy of **Senate Bill 184** on page 5, section 1, lines 105, 106, 107, 108 by striking these lines and substituting therefor the words "once a week for three successive weeks."

Senator Kinkead moved the Previous Question on **SB 184,** as amended. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 184** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **SB 184** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 50 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 50.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware White. Nays 0. **HB 50** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 50** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bill

Committee on Enrollment reported **SB 106** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 183 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator White moved the Previous Question on **HB 183.** Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Bishop, Blue, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware. Nays 0. **HB 183** was passed and the title agreed to.

Senator White moved that the vote by which **HB 183** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Kinkead moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Kinkead moved that the Senators whose names appear on **SB 181** as sponsors also be named as sponsors of **SB 184.** Agreed. Those sponsors are Senators Kinkead, Jackson, Brand, Bonn, C. S. Howard, Kidwell, Logan, McCann and White.

SB 198 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 198.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware. Nays 0. **SB 198** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 198** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 200 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Jackson moved the Previous Question on **SB 200.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware, White. Nays 0. **SB 200** was passed and the title agreed to.

Senator Jackson moved that the vote by which **SB 200** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Hamilton moved suspension of the Rules for the purpose of introducing a bill. Agreed.

Introduction of Bill

SB 236, by Senator Hamilton: AN ACT relating to qualifications of veterans taking the Kentucky bar examinations.

Senator Blue moved suspension of the Rules and requested that the Journal show that had he been present he would have voted for **HB 42.**

HB 197 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 197.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Blake, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 197** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 197** was passed be reconsidered and said motion be laid on the table.

SB 202 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator C. S. Howard moved the Previous Question on **SB 202.** Agreed.

On the roll call, the vote was: Yeas 19—Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware. Nays 7—Blue, Craft, Johnson, Kelly, Kidwell, Miller, Overbey. **SB 202** was passed and the title agreed to.

Senator C. S. Howard moved that the vote by which **SB 202** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 188 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1, by Senator Melton, who moved the adoption. Agreed.

Said Amendment #1 is as follows:

"Amend printed copy of Senate Bill 188, on page 2, section 3, line 28, by adding after the number 288 the following: "or 291".

Senator Melton moved the Previous Question on **SB 188,** as amended.

On the roll call, the vote was: Yeas 26—Bassett, Blake, Brand, Byers, Craft, C. H. Davis, Derickson, Duffy, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 2—Conley, Logan. **SB 188** was passed and the title agreed to.

Senator Melton moved that the vote by which **SB 188** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 36, by way of Committee Substitute taken from Orders of the Day, and ordered read for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved adoption of Committee Substitute to **SB 36.** Agreed.

Amendment #1 by Senator McCann, is as follows:

Amend printed copy of **SB 36** on page 1, section 1, line 12.

Amend Section 1 by inserting after the words "transmitting electricity" in sub-paragraph 3 the following:

"for the purpose of furnishing heat, light or power."

Amendment #1 withdrawn by unanimuos consent of the Senate.

Amendment #2 by Senator Melton, who moved the adoption. Agreed.

Amendment #2 to **SB 36** is as follows:

Amend printed copy of the Committee Substitute for **SB 36** on page 2, section 3, line 1, by inserting after the word "apply" and before the word "to" the following:

"to rural electric cooperatives,"

Amendment #3 by Senator Hehl, who moved the adoption. Agreed.

Amendment #3 to **SB 36** is as follows:

Amend printed copy of Committee Substitute for **SB 36** on page 2, section 6, line 2, by adding a comma after the word electricians and then inserting the following:

except those who have had at least five (5) years of experience as an electrical contractor and/or electrician,

Senator Ware moved the Previous Question on **SB 36** as amended. Agreed.

On the roll call, the vote was: Yeas 18—Bassett, Brand, Byers, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hehl, Hickerson, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware, White. Nays 2—Kelly, Richmond. **SB 36** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 36** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 183 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 183**. Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 183** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 183** was passed be reconsidered and said motion be laid on the table. Agreed.

Communication

Letter from Governor Bert T. Combs relating to the appointment of J. David Francis and Woodrow W. Burchett to membership on the Public Service Commission, read by the Clerk.

OFFICE OF THE GOVERNOR
FRANKFORT, KENTUCKY
March 1, 1960

Bert Thomas Combs
Governor

Dear Governor Wyatt:

On January 6, 1960, the Senate approved the appointments of J. David Francis and Woodrow W. Burchett to membership on the Public Service Commission. These appointments were for unexpired terms terminating March 1, 1960.

I have this day appointed them to terms of four years, and request the Senate's concurrence in these appointments.

Sincerely,

(Signed)

Bert Combs
Governor

Honorable Wilson W. Wyatt
Lieutenant Governor
Frankfort, Kentucky

Senator Ware moved the Senate to concur in the appointments of J. David Francis and Woodrow W. Burchett. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve o'clock noon, March 3. Agreed.

THURSDAY, MARCH 3, 1960

FORTY-SEVENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt, Pastor of the South Frankfort Presbyterian Church of Frankfort.

The roll was called. All present except Senators Bonn, Duncan, D. W. Howard and White, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 2 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 237, by Senator Ware: AN ACT relating to plumbers and plumbing.

SB 238, by Senators Ware, Overbey, Garnett, Francis, Miller, Duffy, Martin and Logan: AN ACT relating to Appeals.

SB 239, by Senator Derickson: AN ACT relating to conservation officers.

SB 240, by Senator Conley: AN ACT relating to proceedings by the State Board of Accountancy against persons licensed to practice public accounting.

SB 241, by Senator Conley: AN ACT relating to the practice of public accounting and amending Sections 325.270 and 325.330 of the Kentucky Revised Statutes.

SB 242, by Senator McCann: AN ACT relating to door-to-door sales of drugs and medicines.

SB 243, by Senator McCann: AN ACT relating to publications containing paid advertisements.

SR 45, by Senators Bishop, Mrs. J. H. Davis, Kelly, Hubbard, Raney, Conley, C. H. Davis, Martin, Derickson and Craft: A CONCURRENT RESOLUTION relating to the Eastern Kentucky Regional Planning Commission.

Report of Committees

Rules Committee reported **SB 227, SB 231, SB 234, SB 235, SB 74, SB 75, SB 207, SB 222, HB 254, HB 251, SB 164, HB 109** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 227, AN ACT relating to absent voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act:

(1) "Mail" means the delivery to a mail carrier or the deposit in a letter box or post office of a letter, with postage prepaid.

(2) "Abroad" means outside of the continental limits of the United States of America.

(3) "United States Services" means:

(a) Members of the Armed Forces while in the active service, and their spouses and dependents.

(b) Members of the merchant marine of the United States, and their spouses and dependents.

(c) Civilian employees of the United States in all categories serving outside the territorial limits of the several States of the United States and the District of Columbia and their spouses and dependents when residing with or accompanying them, whether or not the employee is subject to the civil-service laws and the Classification Act of 1949, and whether or not paid from funds appropriated by the Congress.

(d) Members of religious groups or welfare agencies assisting members of the Armed Forces, who are officially attached to and serving with the Armed Forces, and their spouses and dependents.

Section 2. Section 126.150 of the Kentucky Revised Statutes is amended to read as follows:

Any absent voter may, at any time not less than fifteen days before an election, make an application in writing and by mail, on the form prescribed in KRS 126.160 or on form 76 issued under 5 USCA 2184, to the clerk of the county court of the county of his residence, for an absent voter's ballot.

Section 3. (1) On the 14th day prior to the election and beginning at 2:00 p.m., the County Board of Election Commissioners and the County Clerk, together with interested candidates or their representatives, and representatives of news media, shall examine all applications for an absent voter's ballot for the purpose of determining the voter's right to make application, as well as the validity of the form and method of submitting the application itself. The County Clerk shall have the registration records at the meeting. The County Clerk shall read the name of each applicant aloud, and the applicant and his application may be challenged by anyone present. The board shall determine whether or not each application shall be accepted or rejected, and in so doing shall check the applicant's signature with his signature on the registration record and in the comparative signature books unless the applicant qualifies for absentee registration under this Act. If the application is rejected it shall be so marked and the voter notified of this fact and the reasons therefor. No ballot shall be sent in response to a rejected application nor prior to the examination provided for in this section.

(2) The provisions of subsection (1) of this section shall not apply to applications submitted by members of the United States Services.

(3) The county clerk shall, however, retain the envelope or post card used by any member of the United States Services for inspection and examination.

Section 4. Section 126.160 of the Kentucky Revised Statutes is amended to read as follows:

Applications for absent voter's ballots shall be signed and sworn to by the absent voter before a civil officer authorized by law to administer an oath, provided neither the officer nor his deputy is a candidate to be voted for at the election. Except as provided in Section 2 of this Act, the application shall be substantially in the following form:

"County Court Clerk of ———————— County,

————————, Kentucky.

"I, ————————————, state that I am a resident of the State of Kentucky and have been such for at least one year prior to the date hereof. I am a resident of ————————————, County and have been such for more than six months prior to said date and expect to be absent therefrom in the course of my business or duties at the election to be held on the ——— day of ———————, 19———, and will not vote elsewhere at said election, and am a resident of ———————— precinct of said county (or ———— Ward of the city of ————————, county of ————————), and have been such for at least sixty days prior to said date; that I reside at ————————, (house number and street address, if in city, or county road and nearest neighbor, if in county) that I will be at least eighteen years of age by the date of the next election, and that I am a duly qualified voter of said precinct (or said ward), and I am affiliated with the ———— ————————political party; I request that an official ballot be mailed to me at the following address:

(Name and address)

(Rank and Unit if member of Armed Forces)

(Department of United States Government if an employe or the wife of an employe stationed abroad)

(Voter must sign here, and oath must be administered and attested).

"Subscribed and sworn to before me this ———————— day of ——————————, 19———.

(Name and Official Title)"

Section 5. Section 126.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon receipt of any application for an absent voter's ballot, the county court clerk shall examine the registration books for the purpose of ascertaining whether or not the applicant is a registered voter as stated in the application. If the county court clerk finds that the applicant is so registered, he shall forward a ballot to the voter as provided in KRS 126.190, subject to the provisions of Section 3 of this Act. If the county clerk does not find the applicant to be so registered, and if the application does not indicate that the applicant is a member of the United States Services who must remain away from his legal residence, the clerk shall immediately mail a letter to the applicant, at the address stated in the application, advising him that his application cannot be honored because of the fact that he is not registered, and advising him what period of time, if any, remains in which he may register prior to such election, and the clerk shall place the application in a file entitled "Nonregistered Applicants for Absent Voters' Ballots." If the clerk thereafter, and prior to the election, receives notice from the applicant advising the clerk that the applicant has registered, the clerk shall again examine the registration books, and if he finds that the applicant has registered he shall remove the application from the nonregistered applicants' file and forward a ballot as provided in KRS 126.190, subject to the provisions of Section 3 of this Act. Any application not so removed from the nonregistered applicants' file shall be retained in such file until thirty days after the election, when they shall be burned by the clerk in the presence of the judge and sheriff of the county. If the application of a person found not to be registered indicates that the applicant is a member of the United States Services who must remain away from his legal residence, the county court clerk, upon being satisfied that the applicant is entitled to be registered, shall cause the applicant to be registered in the registration records of the proper precinct, and shall mark upon such registration records the words "Absentee Registration." Such registration may be made at any time prior to the election for which an absent voter's ballot is applied for.

(2) Any person who has been registered under the provisions of subsection (1) of this section shall be required to re-register in person upon his first return to the county of his residence at a time when the books are open.

(3) The oath required of a member of the United States Services may be administered and attested by any commissioned officer in the active service of the Armed Forces, or any member of the Merchant Marine of the United States designated for this purpose by the Secretary of Commerce, or any civilian official empowered by State or Federal law to administer oaths.

Section 6. Section 126.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county court clerk of each county shall cause to be prepared and printed an appropriate number of outer envelopes for absent voter's ballots, which shall bear the words "Absent Voter's Ballot" and shall also bear the address and official title of the county court clerk.

(2) The county clerk shall also cause to be printed an appropriate number of outer envelopes for United States service absent voters' ballots. The county court clerk shall insure that there be printed across the face of each United States service absent voter's outer envelopes two parallel red horizontal bars, each ¼" wide, extending from one side of the envelope to the other side with an intervening space of ¼", the top bar to be 1¼" from the top of the envelope, and with the words "OFFICIAL ELECTION BALLOTING MATERIAL – VIA AIR MAIL" or similar language between the bars; that there be printed in the upper right corner of each such envelope, in a box, the words "Free of United States Postage, Including Air Mail", that all printing on the face of each such envelope be in red; and that there be printed in red in the upper left corner of each envelope, the address and official title of the County Court Clerk.

Section 7. Section 126.210 of the Kentucky Revised Statutes is amended to read as follows:

The Secretary of State shall cause to be prepared and printed an appropriate number of inner envelopes for absent voter's ballots, for all counties. Each such envelope shall be gummed, ready for sealing. Upon one side of such envelope shall be printed, in substantially the following form:

OFFICIAL ABSENT VOTER'S BALLOT

Name of Voter --
Residence (street and number, if any) ----------------------------
----
County of ---
City or town of ---

On the other side of such envelope shall be printed the following oath:

"I do hereby swear (or affirm) that I am a citizen of the United States and am now of the age of at least eighteen years or will be on the day of election to be held on the ----, day of ---------------, 19----, (here insert the day of the election.) that I will have been a resident of the State of Kentucky for at least one year next preceding such election, and a resident of the County of -----------------, for more than six months preceding such election, and a resident of --------------, precinct of said county (or ------------ ward of the city of -------------, County of -----------------) at least sixty days preceding such election; that I am a duly qualified voter of said precinct or said ward, and I am affiliated with the ------------- political party; that in the course of my business or duties I expect to be absent from said precinct or ward at the time of said election.

(Voter must sign here, and oath must
be administered and attested.)

"Subscribed and sworn to before me this ______________day of ______________________________,

----

(Official Title)

Such oath shall constitute prima facie evidence that the voter is qualified to vote, unless the statements contained in such oath indicate the contrary.

Section 8. Section 126.230 of the Kentucky Revised Statutes is amended to read as follows:

When the absent voter receives the ballot and the two envelopes, he shall go before some civil officer authorized by law to administer an oath, provided neither the officer nor his deputy is a candidate to be voted for at the election, and before him make and subscribe to the affidavit on the face of the envelope and shall, in the presence of such officer and no one else, mark the ballot so as to indicate the way he desires to vote, but in such manner as to prevent the officer from knowing how the ballot is marked or how he has voted. He shall then, and while in the presence of the officer fold the ballot in such way as to conceal the markings made thereon by him, and after the ballot has been so folded, he shall enclose it in the inner envelope; then seal said envelope and then enclose it in the outer envelope; then seal and write his name across the face of the outer envelope, and at once mail it to the county court clerk.

SB 231, AN ACT relating to motor vehicles and to make uniform the law with reference to certification of title.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Definitions. Except when the context otherwise requires, as used in this Act:

(1) "Department" means the Department of Public Safety of this state. The term includes county clerks acting on behalf of the Department.*

* In all of the provisions of this Act which require the "mailing or delivering" of any documents to the Department, it shall be construed to mean that such documents shall be mailed or delivered to a county clerk. The county clerks of the respective counties of Kentucky shall act as an agency in each county for the Department of Public Safety.

(2) "Dealer" means a person engaged in the business of buying, selling, or exchanging vehicles who has an established place of business in this state.

(3) "Identifying number" means the numbers and letters, if any, on a vehicle designated by the Department for the purpose of identifying the vehicle.

(4) "Implement of husbandry" means a vehicle designed and adapted exclusively for agricultural, horticultural or livestock raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(5) "Lienholder" means a person holding a security interest in a vehicle.

(6) To "mail" means to deposit in the United States mail properly addressed and with postage prepaid.

(7) To "deliver" means to physically tender.

(8) "Owner" means a person, other than a lienholder, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(9) "Person" means a natural person, firm, co-partnership, association or corporation.

(10) "Pole trailer" means a vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach, or pole, or by being boomed or otherwise secured to the towing vehicle, and ordinarily used for transporting long or irregularly shaped loads such as logs, poles, pipes, or structural members capable, generally, of sustaining themselves as beams between the supporting connections.

(11) "Security agreement" means a written agreement which reserves or creates a security interest.

(12) "Security interest" means an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation. The term includes the interest of a lessor under a lease intended as security.

(13) "Special mobile equipment" means a vehicle not designed for the transportation of persons or property upon a highway and only incidentally operated or moved over a highway, including but not limited to: ditch digging apparatus, well boring apparatus and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, levelling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carry-alls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include house trailers, dump trucks, truck mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(14) "Vehicle" means a device in, upon, or by which a person or property is or may be transported or drawn upon a highway, except a device moved by human power or used exclusively upon stationary rails or tracts.

(15) "Compromise holder" means any person entitled to the possession of a certificate of title as a result of a written compromise or agreement between the lien holder or lienholders and the owner and filed with the Department.

Section 2. (1) Except as provided in Section 3, every owner of a vehicle which is in this state and for which no certificate of title has been issued by the Department shall make application to the Department for a certificate of title of the vehicle.

(2) Effective January 1, 1961, an application for a certificate of title shall be made for every new vehicle sold in this state and an application for certificate of title shall also be made for every used vehicle transferred or brought into this state for the purpose of resident registration. Such application shall be made at the time of registration or transfer.

(3) Every county clerk shall require any person registering a new vehicle, transferring a used vehicle, or registering an out-of-state vehicle brought into this state for the purpose of registration, to complete an application for a certificate of title to be made before the registration or transfer is completed.

(4) Effective January 1, 1963, the owner of every vehicle for which no certificate of title has been applied for or obtained under the provisions of this Act, shall make application for a certificate of title therefor at the time of registration.

(5) When a new vehicle is delivered in this state by the manufacturer to his agent or his franchised dealer, the manufacturer shall execute and deliver to his agent or his franchised dealer a certificate of origin in the form prescribed by the Department, and no person shall bring into this state any new vehicle unless he has in his possession the certificate of origin as prescribed by the Department. The certificate of origin shall contain the manufacturers vehicle identification number, the name of the manufacturer, number of cylinders, a general description of the body, if any, and the type of model. When a new vehicle is sold in this state, the manufacturer, his agent, or his franchised dealer shall deliver to the purchaser, in case of an absolute sale, assignment of the certificate of origin or, if other than absolute sale, assignment of the certificate of origin subject to contract, signed or executed by the manufacturer, his agent, or his dealer, with the genuine name and business or residence addresses, of both stated thereon, and certified to have been executed with full knowledge of the contents and with the consent of both purchaser and seller.

Section 3. (1) No certificate of title need be obtained for:

(a) A vehicle owned by the United States unless it is registered in this state;

(b) A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration; or a vehicle used by a manufacturer solely for testing;

(c) A vehicle owned by a non-resident of this state and not required by law to be registered in this state;

(d) A vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(e) A vehicle moved solely by animal power;

(f) An implement of husbandry;

(g) Special mobile equipment;

(h) A self-propelled wheel chair or invalid tricycle;

(i) A pole trailer.

Section 4. The owner of an implement of husbandry or special mobile equipment may apply for and obtain a certificate of title on it. All of the provisions of this Act are applicable to a certificate of title so issued, except that a person who receives a transfer of an interest in the vehicle without knowledge of the certificate of title is not prejudiced by reason of the existence of the certificate, and the perfection of a security interest under this Act is not effective until the lienholder has complied with the provisions of applicable law which otherwise relate to the perfection of security interests in personal property.

Section 5. This Act does not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) A lien given by statute to the United States, this state, or any political subdivision of this state;

(3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale, but a buyer in the ordinary course of trade from the manufacturer or dealer takes free of the security interest.

Section 6. (1) The Department shall prescribe and furnish the form for the application for certificate of title which shall contain such information as may reasonably be required to identify the owner, lienholder, vehicle, and such other information as may be necessary to determine the true ownership of the vehicle.

(2) If the application refers to a vehicle purchased from a dealer, it shall contain the name and address of any lienholder holding a security interest created or reserved at the time of the sale and the date of his security agreement and be signed by the dealer as well as the

owner, and the dealer shall promptly cause the application to be mailed or delivered to the Department, together with the properly executed certificate of origin if the vehicle is new.

(3) If the application refers to a vehicle last previously registered in another state or county, the application shall contain or be accompanied by:

(a) Any certficate of title issued by the other state or country;

(b) Any other information and documents the Department reasonably requires to establish the ownership of the vehicle and the existence or non-existence of security interests in it; and

(c) The certificate of a person authorized by the department that the identifying numbers of the vehicle have been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the Department reasonably requires.

Section 7. The Department, upon receiving application for a first certificate of title from the county clerk, shall check the identifying number of the vehicle shown in the application against the records of vehicles required to be maintained by Section 8 and against the record of stolen and converted vehicles required to be maintained by Section 32.

Section 8. (1) The Department shall file each application received and, when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of certificate of title, in accordance with the standards established by the Department, shall issue a certificate of title of the vehicle.

(2) The Department shall maintain a record of all certificates of title issued by it.

Section 9. (1) Every certificate of title issued shall contain the information necessary to identify the owner, his address, the names and addresses of all lienholders, the certificate of title number, and a description of the vehicle, including identifying numbers, and such other information that the Department may deem advisable.

(2) Unless a bond is filed as provided in Section 11, a distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country the laws of which do not require that lienholders be named on a certificate of title to perfect their security interests. The certificate shall contain the legend "This vehicle may be subject to an undisclosed lien" and may contain other information the Department prescribes. If no notice of a security interest in the vehicle is received by the Department within four (4) months from the issuance of the distinctive certificate of title, it shall, upon application and surrender of the distinctive certificate, issue a certificate of title in ordinary form.

(3) The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and may contain forms for application for a certificate of tite by a transferee, the naming of a lienholder and the assignment or release of the security interest of a lienholder.

(4) A certificate of title issued by the Department is prima facie evidence of the facts appearing on it.

(5) A certificate of title for a vehicle is not subject to garnishment, attachment, execution or other judicial process, but this subsection does not prevent a lawful levy upon the vehicle.

Section 10. The certificate of title shall be mailed to the first lienholder named in it or, to the compromise holder or, if none, to the owner.

Section 11. If the Department is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, the Department shall either:

(1) Withhold issuance of a certificate of title until the applicant presents documents reasonably sufficient to satisfy the Department as to the applicant's ownership of the vehicle and that there are no undisclosed security interests in it; or

(2) As a condition of issuing a certificate of title, require the applicant to file with the Department a bond in the form prescribed by the Department and executed by the applicant, and either accompanied by the deposit of cash with the Department or also executed by a person authorized to conduct a surety business in this state. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the Department and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three (3) years of prior thereto if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the Department, unless the Department has been notified of the pendency of an action to recover on the bond.

Section 12. The Department shall refuse issuance of a certificate of title if it has reasonable grounds to believe that:

(1) The applicant is not the owner of the vehicle;

(2) The application contains a false or fraudulent statement; or

(3) The applicant fails to furnish required information or documents or any additional information the Department reasonably requires.

Section 13. (1) If a certificate of title is lost, stolen, mutilated or destroyed or becomes illegible, the first lienholder or, the compromise holder or, if none, the owner or legal representative of the owner named in the certificate, as shown by the records of the Department, shall promptly make application for and may obtain a duplicate upon furnishing such information as may be required by the Department. The duplicate of title shall contain the legend "This is a duplicate certificate and may be subject to the rights of a person under the original certificate." It shall be mailed to the first lienholder or, the compromise holder or, if none, to the owner.

(2) The Department shall not issue a new certificate of title to a transferee upon application made on a duplicate until fifteen (15) days after receipt of the application.

(3) A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the Department.

Section 14. (1) If an owner transfers his interest in a vehicle, other than by the creation of a security interest, he shall at the time of delivery of the vehicle, execute an assignment and warranty of title to the transferee in the space provided therefor on the certificate or as the Department prescribes, and cause the certificate and assignment to be mailed or delivered to the transferee.

(2) Except as provided in Section 15, the transferee shall, promptly after delivery to him of the vehicle, execute the application for a new certificate of title in the space provided therefor on the certificate or as the Department prescribes, and cause the certificate and application to be mailed or delivered to the Department.

(3) Upon request of the owner or transferee, a lienholder in possession of the certificate of title shall, unless the transfer was a breach of his security agreement, either deliver the certificate to the transferee for delivery to the Department or, upon receipt from the transferee of the owner's assignment, the transferee's request for a new certificate shall be mailed or delivered to the Department. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(4) If a security interest is reserved or created at the time of the transfer, the certificate of title shall be retained by or delivered to the person who becomes the lienholder, and the parties shall comply with the provisions of Section 20.

(5) Except as provided in Section 15 and as between the parties,

a transfer by an owner is not effective until the provisions of this Section have been complied with. However, an owner who has delivered possession of the vehicle to the transferee and has complied with the provisions of this section requiring action by him is not liable as owner for any damages thereafter resulting from control or operation of the vehicle.

Section 15. (1) If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner or the lienholder within ten (10) days after delivery to him of the vehicle, he need not cause the certificate to be mailed or delivered to the Department but, upon transferring the vehicle to another person other than by the creation of a security interest, shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any lienholder holding a security interest created or reserved at the time of the resale and the date of his security agreement, in the spaces provided therefor on the certificate or as the Department prescribes, and shall cause the certificate to be mailed or delivered to the Department with the transferee's application for a new certificate.

(2) Every dealer shall maintain for five (5) years a record in the form the Department prescribes of every vehicle bought, sold or exchanged by him, or received by him for sale or exchange, which shall be open to inspection by a representative of the Department.

Section 16. (1) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in subsection (2), promptly cause to be mailed or delivered to the Department the last certificate of title, if available, proof of the transfer as prescribed by the Department, and his application for a new certificate in the form the Department prescribes.

(2) If the interest of the owner is terminated or the vehicle is sold under a security agreement by a lienholder named in the certificate of title, the transferee shall promptly cause to be mailed or delivered to the Department the last certificate of title, his application for a new certificate in the form the Department prescribes, an affidavit made by or on behalf of the lienholder that the vehicle was repossessed and that the interest of the owner was lawfully terminated, or sold, pursuant to the terms of the security agreement, and such other documents as the Department may require. If the lienholder succeeds to the interest of the owner and holds the vehicle for resale, he need not secure a new certificate of title but, upon transfer to another person, shall promptly cause to be mailed or delivered to the transferee, or to the Department, the certificate, the affidavit and other documents (and articles) required to be sent to the Department by the transferee.

(3) A person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary

transfer shall cause the certificate to be mailed or delivered to the Department upon request of the Department. The delivery of the certificate pursuant to the request of the Department does not affect the rights of the person surrendering the certificate, and the action of the Department in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or lienholder named in the old certificate.

Section 17. (1) The Department, upon receipt of a properly assigned certificate of title, with the application for a new certificate of title from the county clerk, shall issue a new certificate of title in the name of the transferee as owner and shall mail it to the first named lienholder or, the compromise holder or, if none, to the owner.

(2) The Department, upon receipt of an application for a new certificate of title by a transferee other than a voluntary transfer, with proof of the transfer, shall, upon receipt of the original certificate of title, issue a new certificate of title in the name of the transferee as owner. No new certificate of title shall be issued until and unless the original certificate of title has been surrendered to the Department or until an affidavit has been presented by the holder of the original certificate of title that such original has been lost, stolen, mutilated, or destroyed. In lieu of the issuance of a new certificate of title, the Department shall make demand for and obtain any outstanding certificate of title before completing the certification of or issuing a new certificate of title.

(3) The Department shall file and retain for five years every surrendered certificate of title, the file to be maintained so as to permit the tracing of title of the vehicle designated therein.

Section 18. (1) An owner who scraps, dismantles, or destroys a vehicle, or otherwise disables a vehicle for permanent normal use on the highways shall immediately surrender the certificate of title, the vehicle registration plate and registration receipt, and the vehicle identification plate and any other articles the Department may require, to the Department. The Department shall, upon receipt of the above required documents and articles, forthwith cancel the certificate of title and shall cause the immediate cancellation of the registration plates and registration certificate.

(2) A new certificate of title shall not again be issued for any vehicle so scrapped, dismantled, or destroyed and for which the certificate of title has been surrendered under this section except upon proper application which shall be accompanied by a certificate of inspection as provided in this Act.

Section 19. (1) Unless excepted by Section 5, a security interest in a vehicle of a type for which a certificate of title is required is not valid against creditors of the owner or subsequent transferees or lienholders of the vehicle unless perfected as provided in this Act.

(2) A security interest is perfected by the delivery to the Department of the existing certificate of title, if any, and an application for a certificate of title containing the names and addresses of any lienholders and the dates of the security agreements. It is perfected as of the time of its creation if the delivery is completed within ten days thereafter, otherwise, as of the time of the delivery.

(3) If a vehicle is subject to a security interest when brought into this state, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

(a) If the parties understood at the time the security interest attached that the vehicle would be kept in this state and it was brought into this state within thirty days thereafter for purposes other than transportation through this state, the validity of the security interest in this state is determined by the law of this state.

(b) If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest attached, the following rules apply:

1. If the name of the lienholder is shown on an existing certificate of title issued by that jurisdiction, his security interest continues perfected in this state.

2. If the name of the lienholder is not shown on an existing certificate of title issued by that jurisdiction, the security interest continues perfected in this state for four months, after a first certificate of title of the vehicle is issued in this state, and also, thereafter if, within the four month period, it is perfected in this state. The security interest may also be perfected in this state after the expiration of the four month period; in that case perfection dates from the time of perfection in this state.

3. In every event, it shall be the responsibility of the person making the application for the certificate of title to report any existing security interests required to be recorded on the certificate of title by this Act. Failure to report such security interest shall constitute an offense under the provisions of Section 37.

(c) If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest attached, it may be perfected in this state; in that case, perfection dates from the time of perfection in this state.

(d) A security interest may be perfected under paragraph (b) 1, or paragraph (c) of this subsection either as provided in subsection (2) or by the lienholder delivering to the Department a notice of security interest in the form the Department prescribes.

Section 20. If an owner creates a security interest in a vehicle:

(1) The owner shall immediately surrender the certificate of title to the lienholder. The lienholder shall forthwith, in conjunction

with the owner, complete the necessary portion of the certificate of title which describes the lienholder and the security interest involved, and cause the certificate and the application to be filed with the county clerk.

(2) Upon receipt of the certificate of title and the application from the county clerk the Department shall endorse the certificate of title containing the necessary security interest information and, after making the usual certification of the application, mail the endorsed certificate of title to the compromise holder or, if none, to the first lienholder therein named.

Section 21. (1) A lienholder may assign, absolutely or otherwise, his security interest in a vehicle to a person other than the owner without affecting the interest of the owner or the validity of the security interest by notifying the Department of the assignment, such notice to be accompanied by the certificate of title and all pertinent information relating to the assignment. The owner, with or without notice of the assignment, shall be protected in dealing with the lienholder as the holder of the security interest. The lienholder shall remain responsible and liable for any and all obligations as the lienholder until such assignee is named as lienholder on the certificate of title.

(2) The lienholder shall cause the certificate of title containing the assigning information to be forwarded to the Department immediately upon making such assignment, unless written agreement is made with the assignee that such transfer of the certificate of title shall not be a part of the assigning agreement. This shall not effect any assignment that is designed to cover a period of time in excess of 12 months from the date of assignment.

Section 22. (1) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the lienholder, or compromise holder other than the owner, he shall, within five days present the certificate of title to the county clerk who shall execute a release of the security interest and forward the certificate of title and release to the Department. After duly noting the release the Department shall mail the certificate to the next named lienholder named therein, or, if none, to the owner or any person who delivers to the Department an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly mail or deliver the certificate and release to the county clerk who shall execute a release of the lienholder's rights on the certificate and forward it to the Department. After duly noting the release the Department may reissue the certificate as executed or issue a new certificate.

Section 23. A lienholder named in a certificate of title shall, upon written request of the owner or of another lienholder named on the certificate, disclose any pertinent information as to his security agreement and the indebtedness secured by it.

Section 24. The method provided in this act of perfecting and giving notice of security interests subject to this Act is exclusive. Security interests subject to this Act are hereby exempted from the provisions of law which otherwise require or relate to the recording of instruments creating or evidencing security interests.

Section 25. (1) The Department shall suspend or revoke a certificate of title, upon notice and reasonable opportunity to be heard in accordance with the provisions of the Act, when authorized by any other provision of law or if it finds:

(a) The certificate of title was fraudulently procured or erroneously issued, or

(b) The vehicle has been scrapped, dismantled or destroyed.

(2) Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

(3) When the Department suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, cause the certificate to be mailed or delivered to the Department.

(4) The Department may seize and impound any certificate of title which has been suspended or revoked.

Section 26. (1) The county clerk as agent acting for and on behalf of the Department under the provisions of this Act shall be paid a fee for each transaction provided in this Act to be apportioned as follows:

Transaction	Department Fee	Clerks Fee	Total Fee
First Application	$1.50	$ .50	$2.00
Out of state vehicle Application	1.50	.50	2.00
Rebuilt Vehicle Application	1.50	.50	2.00
Transfer of Ownership or Application	.50	.50	1.00
Assignment of interest in vehicle	.25	.75	1.00
Duplicate certificate Application	2.00	1.00	3.00
Surrender of Document	none	none	none

	Security interests		
Recording over $200.00	none	3.60	3.60
Recording under $200.00	none	3.60	3.60
Release	.25	.75	1.00
Assignment of Security Interest	.25	.75	1.00

(2) Each county clerk shall keep a separate itemnized account of fees received under the provisions of subsection (1) in the manner prescribed by the Department.

Section 27. The county clerk shall see that the provisions of the Act in his county are enforced. He shall act as an agent of the Department of Public Safety and in so doing he shall:

(1) Take all applications and documents for certificates or duplicate certificate of title for new, used, transferred, assigned, or rebuilt motor vehicles.

(2) Take all applications and certificates creating, assigning, transferring, or releasing security interests in motor vehicles.

(3) Collect the fees due the state.

(4) Promptly forward all applications, certificates of origin, certificates of title, affidavits, releases, and other documents required under this Act, immediately upon receipt thereof and payment of the required fee, to the Department.

(5) Report and remit each Monday to the Department of Revenue all money collected on behalf of the Department of Public Safety pursuant to the provisions of this Act during the previous week together with the duplicates of all receipts issued by him during the same period, and shall simultaneously forward a duplicate copy of the report to the Department of Public Safety. He shall make all checks payable to the State Treasurer. Upon the failure of the clerk to report and remit for more than seven days after the report is due, he shall pay a penalty of ten percent on the amount of money due in addition. All penalties collected under the provisions of the Act shall be paid into the State Treasury as a part of the revenue collected under this Act.

Section 28. (1) The Department shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the provisions of this Act.

(2) The Department may:

(a) Make necessary investigations to procure information required to carry out the provisions of this Act;

(b) Adopt and enforce reasonable rules and regulations to carry out the provisions of this Act;

(c) Assign a new identifying number to a vehicle if it has none, or its identifying number is destroyed or obliterated, or its motor is changed, and shall either issue a new certificate of title showing the new identifying number or make an appropriate indorsement on the original certificate.

Section 29. A person aggrieved by an act or omission to act of the Department under the Act is entitled upon request to a hearing before the Department or before such person or persons who shall be designated by the Department to hear such grievance.

Section 30. A person aggrieved by an act, omission to act, or decision of the Department under this Act is entitled to a judicial review thereof by appeal to the Franklin Circuit Court in accordance with the law of this state.

Section 31. (1) Any person who, with fraudulent intent:

(a) Alters, forges or counterfeits a certificate of title; or

(b) Alters or forges an assignment of a certificate of title, or an assignment or release of a security interest, on a certificate of title or a form the Department prescribes; or

(c) Has possession of or uses a certificate of title knowing it to have been altered, forged or counterfeited; or

(d) Uses a false or fictitious name or address, or makes a material false statement, or fails to disclose a security interest, or conceals any other material fact, in an application for a certificate of title;

(e) Buys, receives, possesses, sells or disposes of a vehicle or an engine for a vehicle, knowing that an identification number of the vehicle or engine has been removed or falsified and conceals or misrepresents the identity of the vehicle or engine.

Shall be confined in the penitentiary for not less than two years nor more than five years or shall be fined not less than five hundred dollars nor more than one thousand dollars or both so fined and imprisoned.

(2) Any person who:

(a) With fraudulent intent, permits another, not entitled thereto, to use or have possession of a certificate of title; or

(b) Wilfully fails to mail or deliver a certificate of title or application therefor to the Department within ten days after the time required by this Act; or

(c) Wilfully fails to deliver to his transferee a certificate of title within ten days after the time required by this Act; or

(d) Wilfully violates any other provision of this Act, except as provided in subsection (1); or

(e) With fraudulent intent shall fail to report a security interest existing at the time of the application for a certificate of title, or the application for transfer of the certificate of title, and shall knowingly attempt to conceal such information by failing to include such information in the related application.

Shall be fined not less than twenty nor more than one hundred dollars for each offense.

Section 32. (1) A peace officer who learns of the theft of a vehicle not since recovered, or of the recovery of a vehicle whose theft or conversion he knows or has reason to believe has been reported to the Department, shall forthwith report the theft or recovery to the Department.

(2) An owner or a lienholder may report the theft of a vehicle, or its conversion to the Department. A person who has so reported the theft or conversion of a vehicle shall, forthwith after learning of its recovery, report the recovery to the Department.

(3) An operator of a place of business for garaging, repairing, parking or storing vehicles for the public, in which a vehicle remains unclaimed for a period of fifteen days, shall, within five days after the expiration of that period, report the vehicle as unclaimed to the Department on a form prescribed by the Department. A vehicle left by its owner whose name and address are personally known to the operator or his employe is not considered unclaimed. A person who fails to report a vehicle as unclaimed in accordance with this subsection forfeits all claims and liens for its garaging, parking or storing.

(4) The Department shall maintain, index, and periodically circulate any cumulative records of stolen, converted and recovered vehicles reported to it pursuant to the provisions of this Act. Such reports shall be available to peace officers without charge upon request, and to others for a fee, if any, as the Department may prescribe.

(5) The Department may suspend the certificate of title of a vehicle whose theft or conversion is reported to it pursuant to this section; until the Department learns of its recovery or that the report of its theft or conversion was erroneous, it shall not issue a certificate of title for the vehicle.

(6) Every law enforcement agency shall immediately foward a report of every vehicle reported as stolen, and every vehicle known to be stolen, to the Department within 48 hours after such report or knowledge of the theft.

Section 33. The penal provisions of this Act in no way repeal or modify any existing provision of criminal law but are additional and supplementary thereto.

Section 34. This Act may be cited as the Uniform Motor Vehicle Certificate of Title and Anti-Theft Act.

Section 35. This Act shall not be construed to repeal, the provisions of Chapter 186 of the Kentucky Revised Statutes pertaining to the licensing of motor vehicles, but shall be construed to be supplemental thereto and the provisions of Chapter 186 of KRS are construed to be modified or altered only to the extent made necessary by the provision of this Act. The Director of Statute Revision of the Legislative Research Commission is authorized and directed to correlate and implement the provisions of this Act with the provisions of Chapter 186 of the Kentucky Revised Statutes pertaining to the licensing of motor vehicles.

Section 36. Whereas the intra and interstate traffic in stolen and mortgaged motor vehicles is becoming increasingly greater and since some time will necessarily be required to set up administrative machinery to administer this Act, an emergency is declared to exist and this Act shall become effective immediately upon its passage and approval by the Governor.

Section 37. There is hereby appropriated the sum of five hundred twenty-five thousand dollars to the Department of Public Safety for use in the biennium 1960-61, 1961-62 to administer this Act.

SB 234: AN ACT relating to procedure in criminal cases.

PREAMBLE

The Criminal Code Committee, established by the General Assembly for the purpose of improving criminal procedure in the courts of the Commonwealth, having reported its recommendations to the Legislative Research Commission, the Commission having approved the recommendations and formulated plans for their execution, and the Court of Appeals being in accord with these plans, the General Assembly establishes this revised procedure in criminal cases, doing so on the following principle, finding and declaration of policy and purpose:

The Constitution of the Commonwealth of Kentucky vests the judicial power of the Commonwealth, except impeachment, in the Court of Appeals and the constitutional courts, and in prohibiting the establishment of other courts, manifest an intention to vest this power in the Judicial Department more exclusively than was indicated by the previous constitution; and it is recognized that the vesting of judicial power carries with it the authority to regulate judicial proceedings where the Constitution does not specifically authorize the exercise of some part of that power by another department;

The General Assembly finds that, although rules developed under the third constitution by the legislature have governed criminal proceedings as a matter of comity on the part of the courts since that time, the administration of civil justice under rules of procedure promulgated by the Judicial Department subsequent to revision of civil procedure in 1952 has demonstrated the merit of having procedural rules promulgated by the department responsible for their proper functioning;

It is therefore declared to be the policy of the General Assembly, insofar as the Legislative Department is empowered to express policy on matters of judicial procedure, that prescription of rules governing details of procedure will be left to the discretion of the Judicial Department after the effective date of this Act; and

It is further declared that the purpose of this Act is to abolish the Code of Practice in Criminal Cases, and to put in statute form provisions of that code relating to subjects not properly within the scope of judicial rule-making, and to revise those and related statutes so as to reflect current legislative policy in matters governed by them; to prescribe a better expression of current legislative policy for those matters in which both legislative and judicial discretion are involved; and to complement this purpose by prescribing a set of revised procedural rules consistent with that purpose for the governance of criminal proceedings, but subject to the rule-making authority of the Court of Appeals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 0. The rules in this section are prescribed in accordance with the principle, finding and declaration contained in the preamble to this Act, and with modifications thereof shall be known as the Rules of Criminal Procedure, and may be cited by the abbreviation, "RCr" or by the full title.

RULES OF CRIMINAL PROCEDURE

General Provisions

Rule 1.02. Scope and Application. The Rules of Criminal Procedure govern the procedure in the courts of the Commonwealth of Kentucky in all criminal proceedings.

Rule 1.04. Purpose and Construction. The Rules of Criminal Procedure are intended to provide for a just determination of every criminal proceeding. They shall be construed to secure simplicity in procedure, fairness in administration and the elimination of unjustifiable expense and delay.

Rule 1.06. Definitions. As used in these rules, unless the context requires otherwise:

(a) "Magistrate" includes any judicial officer performing judicial functions authorized by law;

(b) "Attorney for the Commonwealth" includes the Attorney General, the Commonwealth's attorney, the county attorney, a city attorney or city prosecuting attorney, exercising functions assigned to them by law, and an authorized assistant of any of them.

Rule 1.08. Papers; Filing and Service. Where the Rules of Criminal Procedure do not specifically prescribe the manner of filing and service of papers, the Rules of Civil Procedure governing such matters shall apply.

Rule 1.10. Time. The provisions of the Rules of Civil Procedure as to Time shall apply to the procedures in the Rules of Criminal Procedure where the latter rules do not specifically provide otherwise. The time shall not be extended for a motion for a new trial, a motion in arrest of judgment, the period for filing the record on appeal, except as provided, or the period for taking an appeal.

Arrest

Rule 2.02. Complaint. The complaint is a written statement of the essential facts constituting the offense charged. It shall be made upon oath and signed by the complaining party before a magistrate.

Rule 2.04. Warrant or Summons; Issuance. (1) If from an examination of the complaint it appears to the magistrate that there is probable cause to believe that an offense has been committed and that the defendant committed it, a warrant shall issue for the arrest of the defendant.

(2) A summons may issue instead of a warrant if the magistrate has reasonable grounds to believe that the defendant will appear in response thereto, or if the defendant is a corporation.

(3) If a defendant who has been duly summoned fails to appear, or if there is probable cause to believe that he will fail to appear, a warrant of arrest shall issue.

(4) More than one warrant or summons may issue on the same complaint.

Rule 2.06. Warrant or Summons; Requisites. (1) A warrant of arrest shall be in writing and in the name of the Commonwealth, shall be signed by the magistrate with the title of his office and shall state the date when issued and the municipality or county where issued. It shall name or describe the offense charged to have been committed, specify the name of the defendant, or, if his name is unknown, any name or description by which he can be identified with reasonable certainty and the name of the complaining party or parties. The warrant shall be directed to all peace officers in the Commonwealth and shall direct that the defendant be arrested and brought before the magistrate issuing it or, if he is absent or unable to act, before the nearest available magistrate.

(2) A summons shall be in the same form as a warrant except that it shall summon the defendant to appear before the magistrate issuing it at a stated time and place.

Rule 2.08. Defective Warrant, Summons or Citation. (1) No person arrested under a warrant or appearing in response to a summons or citation shall be discharged from custody or dismissed because of any defect of form in the warrant or summons, but the warrant or summons may be amended so as to remedy any such defect.

(2) If during the preliminary hearing or trial of any person arrested under a warrant, or appearing in response to a summons or citation it appears that the warrant, summons or citation does not properly name or describe the defendant, or the offense with which he is charged, or that although not guilty of the offense specified in the warrant, summons or citation, there is probable cause to believe that he is guilty of some other offense, the magistrate shall not discharge or dismiss the defendant but shall forthwith cause a new complaint to be filed and shall thereupon issue a new warrant or summons.

Rule 2.10. Warrant and Summons; Execution and Service. (1) A warrant of arrest may be executed by any peace officer. The officer need not have the warrant in his possession at the time of arrest, but in that event he shall inform the defendant of the offense charged and the fact that a warrant has been issued, and upon request show the warrant, or a copy of it, to the defendant as soon as possible.

(2) A summons may be served by any peace officer. It shall be served upon a defendant by delivering a copy to him personally, or by leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein.

(3) A summons to a corporation shall be served by delivering a copy to an officer or managing or general agent or to any other agent authorized by appointment or by law to receive process.

Rule 2.12. Warrant or Summons; Return. (1) The officer executing a warrant shall make return thereof to the magistrate before whom the defendant is brought.

(2) The officer serving a summons shall make return thereof to the magistrate before whom the summons is returnable on or before the day named therein for the appearance of defendant. If the summons is served in a county other than that in which it was issued, the return may be made by mail.

Rule 2.14. Right to Contact Attorney. (1) A person arrested and in jail shall have the right to make immediate communications for the purpose of securing the services of an attorney.

(2) Any attorney-at-law entitled to practice in the courts of this Commonwealth shall, at the request of the person arrested, or of some one acting in his behalf, be permitted to visit the person arrested.

Proceedings Before the Magistrate

Rule 3.02. Appearance before the Magistrate. (1) An officer making an arrest under a warrant issued upon a complaint shall take the arrested person without unnecessary delay before a magistrate as commanded in the warrant. If the arrest is made in a county other than that in which the warrant was issued and the arrested person is not taken as commanded in the warrant, he shall be taken before a magistrate of the county in which the arrest is made, who shall admit him to bail for his appearance before the proper magistrate to whom the bail bond and other papers may be transmitted by mail. If the offense is non-bailable, or if the person arrested is unable to give bail, the magistrate shall commit him to jail and he shall be taken as commanded in the warrant within a reasonable time by an officer of the county in which it was issued.

(2) Any person making an arrest without a warrant shall take the arrested person without unnecessary delay before a magistrate. If the magistrate before whom the arrested person is taken is in a county other than the county in which the offense was committed, the magistrate shall proceed as directed in subsection (1) as on an arrest under warrant in a county other than that in which the warrant was issued.

Rule 3.04. Trial or Preliminary Hearing. When a person is brought or appears before a magistrate having jurisdiction of the offense charged he shall proceed with the trial. If the magistrate does not have jurisdiction of the offense charged but does have jurisdiction to hold a preliminary hearing, he shall proceed to hold the preliminary hearing. If the magistrate does not have jurisdiction to either try the case or hold the preliminary hearing, he shall order the defendant to be taken before a court of competent jurisdiction for further proceedings and may admit him to bail for his appearance before that court, if the offense is bailable, or commit the defendant to jail to await the trial or preliminary hearing.

Rule 3.06. Bail for Good Behavior. (1) If there are reasonable grounds to believe that the release of a defendant would endanger persons or property, the magistrate shall require bail in any sum deemed reasonable, to keep the peace and for his good behavior for the period of one year.

(2) The applicable provisions governing bail shall apply to bail for good behavior.

Rule 3.08. Statement of Magistrate. The magistrate shall inform the defendant of the charge against him, of his right to have a preliminary hearing or a trial. The defendant shall also be informed that he is not required to make a statement and that any statement made by him may be used against him. The magistrate shall notify the attorney for the Commonwealth, allow the defendant reasonable time and opportunity to consult counsel, and admit the defendant to bail if the offense is bailable.

Rule 3.10. Preliminary Hearing; Waiver. (1) The defendant may waive a preliminary hearing.

(2) Notwithstanding waiver of the preliminary hearing, the mag-

istrate shall on demand of the attorney for the Commonwealth permit examination of the witnesses for the Commonwealth. The defendant may cross-examine the witnesses offered by the Commonwealth.

Rule 3.12. Transfer of Defendant to Another County. If it appears from either the complaint or evidence introduced at the hearing that the offense was committed in a county other than that in which the hearing or trial is being held, the magistrate may admit the defendant to bail for his appearance before the proper magistrate of the county in which the offense was committed on a day named in the bond, if the offense is bailable, or shall commit the defendant to jail to await his transfer within a reasonable time to the county in which the offense was committed by a peace officer of that county. The bond and other papers may be transmitted by mail to the magistrate before whom the defendant is bound to appear.

Rule 3.14. Decision after Hearing. If the defendant waives the preliminary hearing or if from the evidence it appears to the magistrate that there is probable cause to believe that an offense has been committed and that the defendant committed it, the magistrate shall hold him to answer in the circuit court and commit him to jail or admit him to bail, if the offense is bailable; otherwise, he shall be discharged.

Rule 3.16. Minutes and Transcript of Testimony. The magistrate shall keep minutes of all proceedings of the preliminary hearing, which shall include the name, address and substance of the testimony of each witness. When the Commonwealth demands an examination of its witnesses full stenographic notes shall be made of the testimony. A copy of the minutes or a transcript of the testimony of witnesses for the Commonwealth shall be furnished to either party upon request and payment therefor.

Rule 3.18. Order of Commitment, Bail. If the defendant is committed to jail, the magistrate shall make out a written order of commitment, signed by him, which shall be delivered to the jailer by the peace officer who executes the order of commitment. If the offense is bailable, the magistrate must fix the sum for which bail is to be given and enter it upon the order of commitment. Thereafter, the bail shall be taken by the clerk of the court in which the defendant is held to appear.

Rule 3.20. Recognizance of Witnesses. When the defendant has been held to answer the charge the magistrate shall cause each of the material witnesses on behalf of the Commonwealth and, at the defendant's request, each of such witnesses for him as he may suggest, to enter into a recognizance before him, to the effect that he will attend and testify in the court to which the defendant has been held to answer, or forfeit a sum not less than one hundred dollars to the Commonwealth of Kentucky. If witnesses for the defendants are recognized, it shall be stated in the recognizance that they are such.

Rule 3.22. Transmission of papers. If at the conclusion of the preliminary hearing the defendant is held to answer, the magistrate shall transmit all papers in the proceedings and any bail taken by him to the clerk of the court to which the defendant has been held.

Bail

Rule 4.02. Application for Bail. Unless made in open court, the application for bail shall be in writing, signed by the defendant or his counsel, stating the name of the defendant, the offense for which he is committed and the name, occupation, and residence of the proposed surety or sureties, and, if a bonding company, the name and address of the local agent.

Rule 4.04. Burden of Proof in Capital Cases. On the hearing of an application for admission to bail made before or after indictment for a capital offense, the burden of showing that the proof is evident or the presumption great that the defendant is guilty of the offense is on the Commonwealth.

Rule 4.06. Amount of Bail. If the defendant is admitted to bail, the amount thereof shall be such as in the judgment of the court will insure compliance with the terms of the bond, having regard to the ability of the defendant to give bail, the nature and circumstances of the offense charged, the weight of the evidence against him, the character and reputation of the defendant and the probability of the defendant's complying with the terms of the bond.

Rule 4.08. Qualification and Justification of Sureties. Each surety, except a corporate surety which is approved as provided by law, shall be a resident or owner of real estate within the Commonwealth and shall justify his sufficiency by affidavit in which he shall describe the property by which he proposes to justify his sufficiency, the encumbrances thereon and the number and amount of other bonds and undertakings for bail entered into by him and remaining undischarged. No bond shall be approved unless the surety thereon appears to be qualified.

Rule 4.10. Persons Not Qualified as Surety. No attorney-at-law, sheriff, deputy sheriff, judge, magistrate, clerk, deputy clerk or master commissioner shall be taken as surety on any bail bond.

Rule 4.12. Sufficiency of Sureties. If there is only one surety he shall be worth the amount specified in the bond exclusive of the amount of any other undertaking on which he may be principal or surety, and exclusive of property exempt from execution and over and above liabilities. If there are several sureties they shall in the aggregate be worth that amount exclusive of the amount of other undertakings, and of the exemptions and liabilities mentioned above.

Rule 4.14. Continuation of Bail. Bail taken at any stage of the proceedings shall continue in effect to insure the appearance of the defendant for any and all purposes at all stages of the proceedings unless increased, decreased or otherwise modified by the court in which the charge is pending.

Rule 4.16. Defects in Bond or Recognizance. (1) Neither a bail bond nor a recognizance shall be invalid because of any defects of form, omission, recital, or condition, or because of any other irregularity, provided the official before whom it was entered into was legally authorized to take it, the amount of bail is stated, and it can be ascertained therefrom before which magistrate or court the principal is bound to appear.

(2) If no day is fixed for the appearance of the defendant, or an impossible day, or a day in vacation, the bond or recognizance, if for a preliminary hearing, shall bind the defendant to appear within ten days from the time it is given; if for a trial, shall bind the defendant to appear on the first day of the term of court which commences more than ten days from the time it is given.

Rule 4.18. Deposit of Money or Bonds as Bail. Whenever the defendant is admitted to bail in a specified sum, he, or another in his behalf, may deposit said sum of money or non-registered bonds of the United States or this Commonwealth equal in market value to the specified sum, together with his personal undertaking and the undertaking of such other person, if the money or bonds are deposited by another, with the court in which he is held to appear, and take a certificate of such deposit. After bail has been taken a deposit may, in like manner, be made, which shall exonerate the surety or sureties.

Rule 4.20. Custody of Deposits. Money deposited as bail shall be held in accordance with KRS 41.300. Bonds deposited as bail shall be kept in the custody of the clerk of the court. Money and bonds so deposited shall be paid or delivered according to the orders of the court in which the prosecution is pending.

Rule 4.22. Application of Deposit to Fine or Costs. Upon a final judgment's being rendered against the defendant for a fine and costs, or either, in the prosecution of a cause in which money has been deposited as bail by the defendant himself, if the money still remains on deposit and unforfeited, and such fine and costs, or either, have not been paid, such money, or so much thereof as may be necessary, shall be applied to the payment of such fine and costs, or either.

Rule 4.24. Surrender of Principal; Exoneration. (1) At any time before the forfeiture of the bail any surety may procure a certified copy of the bail bond which shall authorize him or any peace officer to whom it is presented to arrest the principal in any county within the Commonwealth and deliver him and the certified copy of the bail bond to the jailer in the county in which the prosecution is pending. The jailer shall acknowledge the surrender in writing.

(2) Upon presentation of the writing executed by the jailer, the court before which the defendant has been held to answer shall, after five days' notice to the county attorney, order that the surety or sureties be exonerated from liability on the bond or recognizance and that any money or bonds that have been deposited as bail be returned to the person making the deposit.

Rule 4.26. Forfeiture of Bail. (1) If there is a breach of condition of a bond, the court shall declare a forfeiture of the bail, or the money or bonds deposited in lieu thereof, which forfeiture shall be noted on the record and endorsed on the bond, which endorsement shall be sufficient evidence of the forfeiture of the bail.

(2) If the declaration of forfeiture is made by an inferior court and the amount of bail is beyond its jurisdiction, or a lien on real estate is involved, the bond shall be filed with the clerk of the circuit court of the county.

(3) The court may direct that a forfeiture be set aside, upon such conditions as the court may impose, if it appears that justice does not require the enforcement of the forfeiture.

Rule 4.28. Judgment against Surety. (1) When a forfeiture has not been set aside, the court shall on motion enter a judgment of default and execution may issue thereon. By entering into a bail bond or recognizance the obligors submit to the jurisdiction of the court in which it was executed or in which it was filed after forfeiture and irrevocably appoint the clerk of the court as their agent upon whom any papers affecting their liability may be served. Liability may be enforced on motion without the necessity of an independent action. The motion and such notice of the motion as the court prescribes may be served on the clerk of the court, who shall forthwith mail copies to the obligors at their last known addresses.

(2) After entry of judgment, the court for sufficient cause may remit the sum specified in the bail bond in whole or in part.

Rule 4.30. Order of Arrest of Principal. The court shall enter an order directing the arrest of the principal:

(1) When there has been a breach of a condition of the bond;

(2) Upon a forfeiture;

(3) When the court is satisfied that there is an insufficiency of sureties; and

(4) Upon the principal's being indicted for an offense which is not bailable.

Grand Jury

Rule 5.02. Charge to Grand Jury. The court shall swear the grand jurors and charge them to inquire into every offense for which any person has been held to answer and for which an indictment or information has not been filed, or other offenses which come to their attention or of which any of them has knowledge. The court shall further instruct the grand jurors concerning inspections and reports which are required of them by law.

Rule 5.04. Foreman; Oath to Witnesses. The court shall appoint one of the grand jurors to be foreman who shall administer an oath or affirmation to each witness who testifies before the grand jury.

Rule 5.06. Attendance of Witnesses. The circuit clerk, upon request of the foreman of the grand jury, or of the attorney for the Commonwealth, made during a term of court or in vacation, shall issue subpoenas for witnesses. The attendance of witnesses may be coerced as in other judicial proceedings.

Rule 5.08. Evidence for Defendant. The grand jurors are under no duty to hear evidence for the defendant, but may do so.

Rule 5.10. Evidence Supporting Indictment. The grand jurors shall find an indictment where they have received what they believe to be sufficient competent evidence to support it, but no indictment shall be quashed or judgment of conviction reversed on the ground that there was not sufficient competent evidence to support the indictment.

Rule 5.12. Compelling Testimony. When a witness before the grand jury refuses to testify or to answer a question put to him, the foreman shall state the refusal to the court in the presence of the witness. After hearing the witness, if the court decides that he is bound to testify or answer and he persists in his refusal, the court shall proceed against the witness as in cases of similar refusal in open court.

Rule 5.14. Duties of Prosecuting Attorney. (1) The attorney for the Commonwealth, or his assistant, designated by him, shall attend the grand jurors when requested by them, and he may do so on his own motion, for the purpose of examining witnesses in their presence, or of giving the grand jurors legal advice regarding any matter cognizable by them. He shall also, when requested by them, draft indictments.

(2) The grand jurors may at any time question witnesses in a closed session.

Rule 5.16. Transcript of Testimony. (1) The attorney for the Commonwealth may appoint a stenographer to take in shorthand the testimony of witnesses or he may cause the testimony to be taken by a recording device, but the record so made shall include the testimony of all witnesses on that particular investigation. The shorthand notes or the recordings and transcript of the same, if any, shall be delivered to and retained by the attorney for the Commonwealth.

(2) The stenographer and any typist who transcribes the stenog-

rapher's notes or recordings shall be sworn by the foreman not to disclose any testimony or the names of any witnesses except to the attorney for the Commonwealth or when testifying in court, and except that any person indicted by the grand jury shall have a right to procure a transcript of any stenographic notes or recordings or any part thereof by paying the prescribed fee therefor.

Rule 5.18. Presence of Other Persons with Grand Jury. No person except the attorney for the Commonwealth, or his assistant, designated by him, a stenographer appointed by him, the witness under examination, and an interpreter, if needed, shall be present during sessions of the grand jury. No person shall be present while the grand jurors are deliberating or voting. Any person violating either of these prohibitions may be held in contempt of court.

Rule 5.20. Return of Indictment. The indictment shall be returned by the foreman in the presence of the grand jury to the judge in open court, filed with the clerk of the court and remain in his office as a public record.

Rule 5.22. Procedure upon Failure to Indict. (1) If the defendant has been held to answer and the votes of the grand jurors are insufficient in number to find an indictment, the foreman shall so report to the court in writing forthwith. The court shall order a discharge of the defendant, exoneration of the bail or a refund of any money or bonds deposited in lieu of bail as the case may be.

(2) The failure of the grand jury to return an indictment does not prevent the charge from being submitted to another grand jury.

Rule 5.24. Secrecy of Proceedings; Disclosure. Each grand juror shall keep secret the proceedings of the grand jury and the testimony given before it, except that he may be required by the court to disclose the testimony of a witness examined for the purpose of ascertaining its consistency with the testimony given by the witness on the trial, or for the purpose of proceeding against the witness for perjury or false swearing; and it shall be the duty of the foreman of the grand jury to communicate to the attorney for the Commonwealth, when requested, the substance of the testimony before them.

Indictment and Information

Rule 6.02. Use of Indictment and Information. All offenses, except those required by law to be prosecuted by indictment, may be prosecuted by information.

Rule 6.04. Information. The attorney for the Commonwealth may file an information charging the commission of an offense either upon his own knowledge, information, and belief, or in his discretion upon the basis of a verified complaint submitted to him.

Rule 6.06. Signatures. All indictments shall be signed by the foreman of the grand jury. All informations shall be signed by an attorney for the Commonwealth. No objection to an indictment or information on the ground that it was not signed as herein required may be made after a plea to the merits has been filed or entered.

Rule 6.08. Names of Witnesses. The names of all the witnesses who were examined shall be endorsed on the indictment. The names of all persons upon whose statements the information is based shall be endorsed thereon. Failure to endorse the names shall not affect the validity or sufficiency of the indictment or information, but the court, on motion of the defendant, shall direct the names to be endorsed, and may grant such continuance of the case as it deems necessary in the interest of justice.

Rule 6.10. Requisites of Indictment or Information.

(1) The indictment or information shall contain a caption setting forth the name of the court and the names of the parties.

(2) The indictment or information shall contain, and shall be sufficient if it contains a plain, concise and definite statement of the essential facts constituting the specific offense with which the defendant is charged. It need not contain any other matter not necessary to such statement, nor need it negative any exception, excuse or proviso contained in any statute creating or defining the offense charged.

(3) Allegations made in one count may be incorporated by reference in another count. It may be alleged in any count that the means by which the defendant committed the offense are unknown or that he committed it by one or more specified means. The indictment or information shall state for each count the official or customary citation or any applicable statute, rule, regulation or other provision of law which the defendant is alleged therein to have violated; but error in the citation or its omission shall not be ground for dismissal of the indictment or information or for reversal of a conviction if the error or omission did not mislead the defendant to his prejudice.

(4) The indictment or information shall contain a formal conclusion.

Rule 6.12. Effects of Defects. An indictment or information not be deemed invalid, nor shall the trial, judgment or other proceedings thereon be stayed, arrested or in any manner affected for any defect or imperfection which does not tend to prejudice the substantial rights of the defendant upon the merits.

Rule 6.14. Surplusage. Unnecessary allegations may be disregarded as surplusage, and on motion of the defendant may be stricken from the indictment or information by the court.

Rule 6.16. Amendment. The court may permit an indictment or information to be amended any time before verdict or finding if no additional or different offense is charged and if substantial rights of the defendant are not prejudiced.

Rule 6.18. Joinder of Offenses. Two or more offenses may be charged in the same information or two or more offenses whether felonies or misdemeanors, or both, may be charged in the same indictment, in a separate count for each offense, if the offenses are of the same or similar character or are based on the same acts or transactions connected together or constituting parts of a common scheme or plan.

Rule 6.20. Joinder of Defendants. Two or more defendants may be charged in the same indictment or information if they are alleged to have participated in the same act or transaction or in the same series of acts or transactions constituting an offense or offenses. Such defendants may be charged in one or more counts together or separately and all of the defendants need not be charged in each count.

Rule 6.22. Bill of Particulars. The court for cause shall direct the filing of a bill of particulars. A motion for such bill may be made at any time prior to arraignment, or thereafter in the discretion of court. A bill of particulars may be amended at any time subject to such conditions as justice requires.

Rule 6.52. Warrant or Summons upon Indictment or Information; Issuance. Upon the request of the attorney for the Commonwealth the court shall direct the clerk to issue a warrant for each defendant named in the indictment or information. The clerk shall issue a summons instead of a warrant upon the request of the attorney for the Commonwealth or on direction of the court. Upon request of the attorney for the Commonwealth, the clerk shall issue more than one warrant or summons for the same defendant. He shall deliver the warrant or summons to a peace officer for execution or service. If a defendant fails to appear in response to the summons, a warrant shall issue.

Rule 6.54. Warrant or Summons; Requisites. (1) The requisites of a warrant on an indictment or information shall be the same as for a warrant issued on a complaint except that it shall be signed by the clerk, it shall name or describe the offense charged in the indictment or information, and it shall command that the defendant be arrested and brought before the court. If the offense is bailable and the warrant is issued at the discretion of a circuit judge, the amount of bail shall be fixed by the court and endorsed thereon, and the bail so endorsed may be taken by the clerk.

(2) The summons shall be in the same form as the warrant except that it shall summon the defendant to appear before the court at a stated time and place.

Rule 6.56. Warrant or Summons; Execution or Service and Return. (1) The warrant shall be executed or the summons served as provided for the execution of warrants or the service of summons issued upon complaints.

(2) The return of the warrant or summons shall be made to the court issuing it.

Production of Evidence

Rule 7.02. Subpoenas. Upon the request of the attorney for the Commonwealth or the defendant or his attorney, the clerk of the court shall issue subpoenas.

Rule 7.04. Attendance of Witnesses. The provisions of the Rules of Civil Procedure shall apply to and govern the summoning and coercing the attendance of witnesses, and compelling them to testify in all criminal proceedings, except that the attendance of witnesses residing in any part of the Commonwealth may be coerced, and it shall not be necessary to tender to the witnesses any compensation for expenses, or otherwise, before process of contempt shall issue.

Rule 7.06. Bail for Material Witness. If it appears by affidavit that the testimony of a person is material in any criminal proceeding and that it may become impracticable to secure his attendance by subpoena, the court may require him to give bail for his appearance as a witness in an amount fixed by the court. If he fails to give bail, the court may commit him to custody pending final disposition of the proceeding in which the testimony is needed, may order his release if he has been detained for an unreasonable length of time and may modify at any time the requirement as to bail.

Rule 7.08. Documentary Evidence. A subpoena may command the person to whom it is directed to produce the books, papers, documents, or tangible things designated therein; but the court, upon motion made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may quash or modify the subpoena if it is unreasonable or oppressive. The Rules of Civil Procedure shall govern coercion of production of documentary evidence.

Rule 7.10. Grounds for Taking Depositions. (1) If it appears that a prospective witness may be unable to attend or prevented from attending a trial or hearing or is or may become a non-resident of the Commonwealth, that his testimony is material and that it is necessary to take his deposition in order to prevent a failure of justice, the court at any time after the preliminary hearing or the filing of the indictment or the information may upon motion and notice to the parties order that his testimony be taken by deposition and that any designated books, papers, documents, or tangible objects, not privileged, be produced at the same time and place.

(2) If a witness is committed for failure to give bail to appear to testify at a trial or hearing, the court on written motion of the witness and upon notice to the parties may direct that his deposition be taken

at the expense of the Commonwealth. After the deposition has been subscribed the court may discharge the witness.

Rule 7.12. Deposition by Commonwealth. (1) The order authorizing the Commonwealth to take a deposition shall contain such specifications as will fully protect the rights of personal confrontation and cross-examination of the witness by defendant. Whenever it is practicable to do so, the court shall direct the deposition to be taken in the county where the criminal case is pending and shall compel any resident of the Commonwealth to appear and give his testimony.

(2) If a deposition is taken at the instance of the Commonwealth, the Commonwealth shall pay the reasonable expenses of travel and subsistence of the defendant and his attorney in attending such examination.

(3) If a defendant is in custody, he shall be produced at the examination and kept in the presence of the witness during the examination by the officer having the defendant in custody.

Rule 7.14. Notice of Taking Deposition. The party at whose instance a deposition is to be taken shall give to every other party reasonable written notice of the time and place for taking the deposition. The notice shall state the name and address of each person to be examined. On motion of a party upon whom the notice is served, the court for cause shown may extend or shorten the time.

Rule 7.16. Defendant's Counsel. Upon the application for taking depositions if a defendant is without counsel, the court shall advise him of his right thereto and assign counsel to represent him unless the defendant elects to proceed without counsel or is able to obtain counsel.

Rule 7.18. Manner of Taking Depositions. A deposition shall be taken in the manner provided in the Civil Rules. The court at the request of a defendant may direct that a deposition be taken on written interrogatories in the manner provided in the Civil Rules.

Rule 7.20. Use of Depositions; Objections. (1) At the trial or upon any hearing, a part or all of a deposition, so far as otherwise admissible under the rules of evidence, may be used if it appears: that the witness is dead; or that the witness is out of the Commonwealth of Kentucky, unless it appears that the absence of the witness was procured by the party offering the deposition; or that the witness is unable to attend or testify because of sickness or infirmity; or that the party offering the deposition has been unable to procure the attendance of the witness by subpoena. Any deposition may also be used by any party for the purpose of contradicting or impeaching the testimony of the deponent as a witness. If only a part of a deposition is offered in evidence by a party, an adverse party may require him to offer all of it which is relevant to the part offered and any party may offer other parts.

(2) Objections to receiving in evidence a deposition or part thereof may be made as provided in the Civil Rule.

Rule 7.22. Discovery and Inspection. Upon motion of a defendant, the court may order the attorney for the Commonwealth to permit the defendant or his attorney to inspect and copy or photograph designated books, papers, documents or tangible objects obtained from or belonging to the defendant or obtained from others by seizure or by process, upon a showing that the items sought may be material to the preparation of his defense and that the request is reasonable. The order shall specify the time, place and manner of making the inspection and of taking the copies or photographs and may prescribe such terms and conditions as are just.

Arraignment and Pleadings

Rule 8.02. Arraignment. Arraignment shall be conducted in open court and shall consist of reading the indictment or information to the defendant or stating to him the substance of the charge and calling upon him to plead thereto. He shall be given a copy of the indictment or information before he is called upon to plead. Defendants who are jointly charged may be arraigned separately or together in the discretion of the court.

Rule 8.04. Assignment of Counsel. If on arraignment or thereafter the defendant appears in court without counsel, the court shall advise him of his right to counsel, and shall assign counsel to represent him at every stage of the proceedings unless he elects to proceed without counsel or is able to obtain counsel.

Rule 8.06. Insanity. If upon arraignment or during the proceedings there are reasonable grounds to believe that the defendant is insane, the proceedings shall be postponed and the issue of sanity determined as provided by law. If the defendant is found to be insane, the court shall direct that he be confined in a mental institution until his mind is restored at which time he shall be returned to the court for further proceedings.

Rule 8.08. Pleas. A defendant may plead not guilty or guilty. The court may refuse to accept a plea of guilty, and shall not accept the plea without first determining that the plea is made voluntarily with understanding of the nature of the charge. If a defendant refuses to plead or if the court refuses to accept a plea of guilty or if a defendant corporation fails to appear, the court shall enter a plea of not guilty.

Rule 8.10. Withdrawal of plea. At any time before judgment the court may permit the plea of guilty to be withdrawn and a plea of not guilty substituted.

Rule 8.12. Pleadings. Pleadings in criminal proceedings shall be the indictment and the information, and the plea of guilty and not guilty. No other plea, demurrer, or motion to quash shall be used, and defenses and objections which before the effective date of these rules could have been raised by one or more of them shall be raised only by motion to dismiss or to grant appropriate relief.

Rule 8.14. Motions. An application to the court for an order shall be by motion which shall be in writing unless made during a hearing or trial, shall state with particularity the grounds therefor, and shall set forth the relief or order sought.

Rule 8.16. Defenses Which May Be Raised by Motion. Any defense or objection which is capable of determination without the trial of the general issue may be raised before trial by motion.

Rule 8.18. Defenses Which Must Be Raised by Motion. Defenses and objections based on defects in the institution of the prosecution or in the indictment or information other than that it fails to show jurisdiction in the court or to charge an offense may be raised only by motion before trial. The motion shall include all such defenses and objections then available to the defendant. Failure to present any such defense or objection as herein provided constitutes a waiver thereof, but the court for cause shown may grant relief from the waiver. Lack of jurisdiction or the failure of the indictment or information to charge an offense shall be noticed by the court at any time during the proceedings.

Rule 8.20. Time of Making Motion. The motion raising defenses or objections shall be made before the plea is entered, but the court may permit it to be made within a reasonable time thereafter without withdrawal of the plea.

Rule 8.22. Hearing on Motion. The motion before trial raising defenses or objections shall be determined before trial unless the court orders that it be deferred for determination at the trial of the general issue. An issue of fact shall be tried by a jury if a jury trial is required by law. All other issues of fact shall be determined by the court with or without a jury or on affidavits or in such other manner as the court may direct.

Rule 8.24. Effect of Determination. (1) If a motion is determined adversely to the defendant he shall be permitted to plead if he had not previously pleaded. A plea previously entered shall not be affected by the adverse determination of a motion.

(2) If the court grants a motion based on a defect in the institution of the prosecution or in the indictment or information, it may also order that the defendant be held in custody or that his bail be continued for a period of time not to exceed the date of discharge of the grand jury assembled at the next term of court pending the filing of a new indictment or information.

Rule 8.26. Improper Venue; Transfer. If it appears from either the indictment, information or evidence that the offense was committed in a county other than that in which the trial is being held, the defendant may move for a transfer of the prosecution to the proper venue. If the motion is sustained, the court shall order a transfer of the original papers including the bail bond, if any, or certified copies thereof, to the clerk of the court of the county to which the transfer of the prosecution is made. The court also may order that the bail be continued for his appearance or that the defendant be held in custody to await his transfer to the county to which the prosecution is transferred by a peace officer of that county. The defendant shall be deemed to be held to answer in the court of the county in which the offense was committed from the date of the sustaining of the motion.

Rule 8.28. Presence of Defendant. (1) The defendant shall be present at the arraignment, at every stage of the trial including the impaneling of the jury and the return of the verdict, and at the imposition of the sentence. The defendant's voluntary absence after the trial has been commenced in his presence shall not prevent proceeding with the trial up to and including the verdict. The defendant may be permitted to remain on bail during the trial.

(2) A corporation may appear by counsel for all purposes.

(3) In prosecutions for misdemeanors, the court may permit arraignment, plea, trial and imposition of sentence in the defendant's absence.

TRIAL

General

Rule 9.02. Time of Hearing or Trial. All prosecutions shall proceed when the defendant appears or is brought before the court unless postponed for cause.

Rule 9.04. Postponement of Hearing or Trial; Motion and Affidavit. The court, upon motion and sufficient cause shown by either party, may grant a postponement of the hearing or trial. A motion by the defendant for a postponement on account of the absence of evidence may be made only upon affidavit showing the materiality of the evidence expected to be obtained, and that due diligence has been used to obtain it. If the motion is based on the absence of a witness, the affidavit must show what facts the affiant believes the witness will prove, and not merely the effect of such facts in evidence, and that the affiant believes them to be true. If the attorney for the Commonwealth consents to the reading of the affidavit on the hearing or trial as the deposition of the absent witness, the hearing or trial shall not be postponed on account of his absence.

Rule 9.12. Consolidation of Offenses for Trial. The court may order two or more indictments or informations or both to be tried together if the offenses, and the defendants, if more than one, could have been joined in a single indictment or information. The procedure shall be the same as if the prosecution were under such single indictment or information.

Rule 9.14. Misjoinder of Offenses. If two or more offenses are charged in the same indictment or information and they cannot be properly joined, the Commonwealth may be required to elect which offense it will prosecute.

Rule 9.16. Separate Trials. If it appears that a defendant or the Commonwealth is prejudiced by a joinder of offenses or of defendants in an indictment or information or by joinder for trial, the court may order an election or separate trials of counts, grant separate trials of defendants or provide whatever other relief justice requires. A motion for such relief must be made before the jury is sworn, or, if there is no jury, before any evidence is received. No reference to either the motion or any statement made during the hearing thereof shall be made during the trial.

Rule 9.22. Objections; Exceptions Unnecessary. An objection is made by a party making known to the court, at the time the ruling or order of the court is sought, the action which he desires the court to take or his objection to the action of the court, and on request of the court, his grounds therefor; but if a party has no opportunity to object to a ruling or order, the absence of an objection does not thereafter prejudice him. Exceptions to the rulings or orders of the court are unnecessary.

Rule 9.24. Harmless Error. Any error, defect, irregularity or variance which does not affect substantial rights shall be disregarded.

Rule 9.26. Substantial Error. A palpable error which affects substantial rights may be considered by the court on motion for a new trial or by the Court of Appeals on appeal, even though insufficiently raised or preserved for review, and appropriate relief may be granted upon a determination that manifest injustice has resulted from the error.

Jury

Rule 9.30. Selection of Jury. (1)(a) In a jury trial in circuit court the clerk, in open court, shall draw from the jury box sufficient names of the persons selected and summoned for jury service to compose a jury as required by law. If one or more of them is challenged, the clerk shall draw from the box as many more as are necessary to complete the jury.

(b) If there is an irregularity in drawing from the jury box, the names of the jurors so drawn shall be returned to the box.

(c) When it appears that the names in the jury box are about to become exhausted, the judge may obtain additional jurors by drawing from the drum, or, with the consent of the parties, by ordering the sheriff or a bailiff appointed by the court to summon any number of qualified persons.

(2) In inferior courts the magistrate shall order the sheriff or the attending officer to summon as many qualified persons as are necessary to compose the jury, unless otherwise provided by law.

Rule 9.32. Additional Jurors. The court may direct the clerk to draw one or two names from the jury box in addition to the number required by law to compose the jury. All jurors so drawn shall be empaneled and hear the case. Should it become necessary to excuse a juror for any reason, the trial shall continue unless the number of jurors is reduced to less than the number required by law. If the membership of the jury consists of more than the number required by law after it has been instructed by the court, the clerk, in open court, shall place the name of each juror on a separate piece of paper, fold it so as to conceal the name and put it in a box provided for that purpose. The clerk, after mixing the names, shall draw from the box sufficient names to reduce the jury to the number required by law.

Rule 9.34. Challenge to Panel. A motion raising an irregularity in the selection or summons of the jurors or formation of the jury must precede the examination of the jurors.

Rule 9.36. Challenge to Individual Jurors. (1) The challenges for cause shall be made first by the Commonwealth and then by the defense. Each party shall exhaust his challenges to each juror before the other begins. When there is reasonable ground to believe that a juror cannot render a fair and impartial verdict on the evidence, he shall be excused as disqualified to serve.

(2) When more than one defendant is being tried, the order in which challenges to a juror may be made shall be prescribed by order of court.

(3) Challenges for peremptory or for cause must be made before the juror is accepted except that the court for good cause may permit such challenges until the jury is sworn.

Rule 9.38. Examination of Jurors. The court may permit the attorney for the Commonwealth and the defendant or his attorney to conduct the examination of prospective jurors or may itself conduct the examination. In the latter event the court shall permit the attorney for the Commonwealth and the defendant or his attorney to supplement the examination by such further inquiry as it deems proper. The court may itself submit to the prospective jurors such additional questions submitted by the parties or their attorneys as it deems proper.

Rule 9.40. Peremptory Challenges. (1) If offense charged is punishable by death or imprisonment for more than twenty-one years, the Commonwealth is entitled to five peremptory challenges and the defendant or defendants jointly to eleven peremptory challenges. If the offense charged is punishable by confinement for more than twelve months or as long as twenty-one years, the Commonwealth is entitled to four peremptory challenges and the defendant or defendants jointly to seven peremptory challenges. If the offense charged is punishable by confinement of twelve months or less or by fine, or both, each side is entitled to three peremptory challenges.

(2) If one or two additional jurors are called, each side is entitled to one additional peremptory challenge.

(3) If more than one defendant is being tried, the court may allow additional peremptory challenges to each defendant and permit them to be exercised separately or jointly.

Proceedings

Rule 9.42. Order of Proceeding. The jury shall be sworn to try the issue after which the trial shall proceed in the following order, unless the court for special reasons otherwise directs:

(1) The attorney for the Commonwealth shall state to the jury the nature of the charge and the evidence upon which he relies to support it;

(2) The defendant or his attorney may state his defense and the evidence upon which he relies to support it or he may reserve his opening statement until the conclusion of the evidence for the Commonwealth;

(3) The attorney for the Commonwealth must offer the evidence in support of the charge;

(4) The defendant or his attorney may make his opening statement, if reserved, and offer his evidence in support of his defense;

(5) The parties respectively may offer rebutting evidence, unless the court, for good reason in furtherance of justice, permits them to offer evidence-in-chief;

(6) The parties may submit or argue the case to the jury. In the argument, the attorney for the Commonwealth shall have the conclusion and the defendant or his attorney the opening. If more than one counsel is to take part in the closing argument on either side, or if several defendants have separate defenses and appear by different counsel, the court shall arrange the order of argument, always giving the attorney for the Commonwealth the closing argument.

Rule 9.44. Proof of Official Record. An official record or any entry therein or the lack of such a record or entry may be proved in the manner provided by the Civil Rules.

Rule 9.46. Expert Witnesses. The court may order the parties to show cause why expert witnesses should not be appointed, and may request the parties to submit nominations. The court may appoint any expert witnesses agreed upon by the parties, and may appoint witnesses of its own selections. An expert witness shall not be appointed by the court unless the witness consents to act. A witness so appointed shall be informed of his duties of the court at a conference in which the parties shall have opportunity to participate. A witness so appointed shall advise the parties of his findings, if any, and may thereafter be called to testify by the court or by any party. He shall be subject to cross-examination by each party. The court may determine the reasonable compensation of such witness and direct its payment out of such funds as may be provided by law. The parties also may call expert witnesses of their own selection at their own expense.

Rule 9.48. Separation of Witnesses. If either a defendent or the Commonwealth requests it, the judge may exclude from the hearing or trial any witness of the adverse party not at the time under examination, so that he may not hear the testimony of the other witnesses. This provision shall not apply to the parties to the proceeding.

Rule 9.50. Exclusion of Infants from Courtroom. In any trial for rape, attempted rape, seduction, unlawfully detaining a woman and similar offenses the judge shall exclude from the courtroom, and from the hearing of the testimony and arguments, all infants under the age of sixteen years, except those who are witnesses in the case or kin to one of the parties.

Rule 9.52. Avowals. If an objection to a question propounded to a witness is sustained by the court, upon the request of the examining attorney an avowal may be made in the manner provided in the Civil Rules.

Rule. 9.54. Instruction to Jury; Objections. At the close of the evidence or at such earlier time during the trial as the court reasonably directs, any party may offer written requests that the court instruct the jury on the law as set forth therein. The court shall give or refuse the instructions and shall give the jury written instructions before the commencement of the argument to the jury. No party may assign as error the giving or the failure to give an instruction, unless he objects thereto before the court instructs the jury, stating specifically the matter to which he objects and the grounds of his objections. Opportunity shall be given to make his objections out of the hearing of the jury.

Rule 9.56. Reasonable doubt. The jury shall be instructed that if there is a reasonable doubt of the defendant's being proved to be guilty, he is entitled to an acquittal and that if there be a reasonable doubt of the degree of the offense which the defendant has committed, he shall be convicted only of the lower degree.

Rule 9.58. Questions of Law. All questions of law arising during the trial or proceedings shall be decided by the court, and the jury shall be bound to take the decisions of the court on points of law as the law of the case.

Rule 9.60. Corroboration of Confession. A confession of a defendant, unless made in open court, will not warrant a conviction unless accompanied with other proof that such an offense was committed.

Rule 9.62. Testimony of Accomplice. A conviction cannot be had upon the testimony of an accomplice unless corroborated by other evidence tending to connect the defendant with the commission of the offense; and the corroboration is not sufficient if it merely shows that the offense was committed, and the circumstances thereof. In the absence of corroboration as required by law, the court shall instruct the jury to render a verdict of acquittal.

Rule 9.64. Dismissal of Indictment. The attorney for the Commonwealth, with the permission of the court, may dismiss the indictment, information or complaint prior to the submission of the case.

Rule 9.66. Separation of Jurors. If the offense charged is punishable either by life imprisonment or by death, the jurors shall be kept together in charge of the proper officer. They may be permitted to separate only by agreement of the parties and with approval of the court. The consent or approval may be withdrawn before any recess or adjournment of court. If the offense charged is a felony which is not punishable either by life imprisonment or by death, or is a misdemeanor, the jurors may be permitted to separate in the discretion of the court. On the trial of any felony, the jurors shall be kept together after the case is submitted for their verdict. When a jury composed of both sexes must be kept together, the male members of the jury may be separated from the female members and each sex kept together in charge of an officer of like sex.

Rule 9.68. Oath to Officers in Charge of Jury. When the jury is kept together in charge of officers, the officers must be sworn to keep the jurors together, and to suffer no person to speak to, or communicate with, them on any subject connected with the trial, and not to do so themselves.

Rule 9.70. Admonition to Jury. The jurors, whether permitted to separate or kept in charge of officers, must be admonished by the court that it is their duty not to permit any one to speak to, or communicate with, them on any subject connected with the trial, and that all attempts to do so should be immediately reported by them to the court, and that they should not converse among themselves on any subject connected with the trial, nor form, nor express any opinion thereon, until the cause be finally submitted to them. This admonition must be given or referred to by the court at each adjournment.

Rule 9.72. Jury to Take Exhibits. Upon retiring for deliberation, the jury may take all papers and other things which have been received as evidence in the case.

Rule 9.74. Information after Case Submitted. After the jurors retire for deliberation, if there be a disagreement as to any part of the evidence, or if they desire to be informed on a point of law, the information required must be given in open court in the presence of, or after notice to, the counsel for the parties.

Rule 9.76. Court Open while Jury Deliberating. While the jurors are deliberating on their verdict, the court shall be deemed open for every purpose connected with the case submitted to the jury until the verdict is returned or the jury discharged. A final adjournment of court discharges the jurors.

Verdict

Rule 9.82. Verdict. (1) The verdict shall be unanimous. It shall be returned by the jury in open court.

(2) If there are two or more defendants, the jury at any time during its deliberation may return a verdict or verdicts with respect to a defendant or defendants as to whom it has agreed; if the jury cannot agree with respect to all, the defendant or defendants as to whom it does not agree may be tried again.

Rule 9.84. Penalty. (1) When the jury returns a verdict of guilty it shall fix the degree of the offense and the penalty, except where the penalty is fixed by law, in which case it shall be fixed by the court.

(2) When the defendant enters a plea of guilty, the court may fix the penalty, except in cases involving offenses punishable by death.

Rule 9.86. Limitations on Conviction. The defendant may be found guilty of an offense included in the offense charged or of an attempt to commit either the offense charged or an offense included therein if the attempt is an offense.

Rule 9.88. Poll of Jury. When the verdict is announced, either party may require the jury to be polled, which is done by the clerk's or court's asking each juror if it is his verdict. If upon the poll, there is not unanimous concurrence, the verdict cannot be received.

Rule 9.90. Insanity. (1) If the defense of insanity is made by the defendant, the jury must be instructed to state the finding of insanity in their verdict if they acquit him on that ground.

(2) When such a verdict is returned, the court may on motion of the prosecuting attorney or on its own motion impanel a jury to inquire whether the defendant is presently insane or have the issue determined as otherwise provided by law. If the defendant is found to be of unsound mind, the court shall direct that he be confined in a mental institution until his mind is restored.

New Trial—Arrest of Judgment

Rule 10.02. Motion for New Trial. (1) Upon motion of a defendant, the court may grant a new trial for any ground which prevented the defendant from having a fair trial, or if required in the interest of justice. If trial was by the court without a jury, the court may vacate the judgment, take additional testimony and direct the entry of a new judgment.

(2) Not later than ten days after return of the verdict, the court on its own initiative may order a new trial for any reason for which it might have granted a new trial on motion of a defendant, and in the order shall specify the grounds therefor.

Rule 10.04. Examination of Jurors after Verdict. A juror cannot be examined to establish a ground for a new trial, except to establish that the verdict was made by lot.

Rule 10.06. Time for Motion. The motion for a new trial shall be served not later than five days after return of the verdict. A motion for a new trial based upon the ground of newly discovered evidence shall be made within one year after the entry of the judgment or at a later time if the court for good cause so permits.

Rule 10.08. Time for Serving Affidavits. When a motion for a new trial is supported by affidavits, the Commonwealth has ten days after service of the motion within which to serve opposing affidavits, which period may be extended for an additional period not exceeding twenty days either by the court for good cause shown or by the parties by written stipulation. The court may permit reply affidavits.

Rule 10.10. Clerical Mistakes. Clerical mistakes in judgments, orders or other parts of the record and errors therein arising from oversight or omission may be corrected by the court at any time on its own initiative or on the motion of any party and after such notice, if any, as the court orders. During the pendency of an appeal, such mistakes may be so corrected before the appeal is docketed in the appellate court, and thereafter while the appeal is pending may be so corrected with leave of the appellate court.

Rule 10.12. Preservation of Error. Allegations of error, properly preserved, by objections as provided in these rules, in respect to rulings, orders or instructions of the court need not be presented in a motion for a new trial in order to be preserved for appellate review.

Rule 10.22. Arrest of Judgment. The court shall arrest the judgment if the indictment or information does not charge an offense or if the court was without jurisdiction of the offense charged. The motion in arrest shall be made within five days after determination of guilt.

Judgment: Execution

Rule 11.02. Sentence. The sentence shall be imposed without unreasonable delay except as otherwise provided by law. Pending sentence, the court may commit the defendant, or continue or alter the bail. Before imposing sentence the court shall afford the defendant an opportunity to make a statement in his own behalf, and to present any information in mitigation of punishment if the sentence is fixed by the court.

Rule 11.04 Contents and Entry of Judgment. (1) A judgment of conviction shall set forth the plea, the verdict or findings, the adjudication and sentence, a statement as to whether the defendant is entitled to bail, the amount of bail and the day of the execution of a death sentence, which shall be at least thirty days after the entry of the judgment. If two or more sentences are imposed, the judgment shall state whether they are to be served concurrently or consecutively.

(2) If the defendant is found "not guilty" or for any other reason is entitled to be discharged, judgment shall be entered accordingly.

(3) The judgment shall be signed by the judge and entered by the clerk.

Rule 11.22. Execution of the Judgment. If the judgment imposes a sentence of death or confinement in the penitentiary, county jail or other institution, two certified copies thereof shall be furnished forthwith to the sheriff who shall execute the same by delivering the defendant and a certified copy of the judgment to the person in charge of the institution of confinement and filing a written return thereof in the office of the clerk of the court within ten days after the execution.

Rule 11.32. Disability of Judge. If by reason of death, sickness, or other disability, a judge before whom the defendant has been tried is unable to perform the duties to be performed by the court after a verdict or finding of guilty, any successor or special judge sitting in or assigned to the court in which the case was tried may perform those duties; but if such other judge is satisfied that he cannot perform those duties because he did not preside at the trial or for any other reason, he may in his discretion grant a new trial.

Rule 11.42. Motion to Vacate, Set Aside or Correct Sentence.

A prisoner in custody under sentence who claims a right to be released on the ground that the sentence was imposed in violation of the Constitution or statutes of the Commonwealth or of the United States, or that the Court imposing the sentence was without jurisdiction to do so, or that the sentence was in excess of that authorized by law or is otherwise subject to collateral attack, may file a motion at any time in the court which imposed the sentence to vacate, set aside or correct the same. If the motion and the files and records of the case show to the satisfaction of the court that the prisoner is not entitled to relief, the court shall so determine and enter an order accordingly; otherwise the court shall cause notice thereof to be served on the attorney for the Commonwealth and grant a prompt hearing thereon. If the court finds that the judgment was rendered without jurisdiction or that the sentence imposed was illegal or otherwise subject to collateral attack, or that there was such a denial or infringement on the constitutional rights of the prisoner as to render the judgment subject to collateral attack, the court shall vacate the judgment and shall discharge the prisoner or resentence him or grant a new trial or correct the sentence as may be appropriate. The court need not entertain a second motion or successive motions for similar relief on behalf of the same prisoner.

Appeals

To Circuit Court

Rule 12.02. Manner of Taking. (1) An appeal to the circuit court is taken by filing with the clerk thereof a certified copy of the judgment and the amount of costs, and cause to be executed before the clerk a bond to the effect that the defendant will pay the costs of the appeal and perform the judgment which may be rendered against him on the appeal; whereupon, the clerk shall issue an order to the judge or the justice rendering the judgment, to stay proceedings thereon, and to transmit to the office of said clerk all the original papers in the prosecution.

(2) The applicable provisions governing bail shall apply to the bond provided for in subsection (1).

(3) After the service of the order to stay proceedings, no execution shall be issued from the inferior court, and any officer on whom the order is served shall return the execution in his hands as suspended by appeal.

Rule 12.04. Time for Taking. The time within which an appeal may be taken to the circuit court shall be thirty days from the entry of the judgment or order appealed from, unless a different period of time is prescribed by law.

Rule 12.06. Schedule and Manner of Trial; Judgment. Appeals taken to the circuit court shall be docketed by the clerk thereof as a regular criminal prosecution and shall be tried anew, as if no judgment had been rendered, and the judgment shall be considered as affirmed if judgment for any amount is rendered against the defendant, and thereupon he shall be adjudged to pay the costs of the appeal.

To Court of Appeals

Rule 12.52. Manner of Taking; Notice. (1) An appeal to the Court of Appeals is taken by filing a notice of appeal with the circuit court.

(2) Where a motion for an appeal before the Court of Appeals is required, the appeal is taken by filing a notice of appeal, and the record on appeal shall be made up, in the same time and manner as in case of appeals that are permitted as a matter of right. The motion for an appeal shall be made at the time the record on appeal is docketed in the Court of Appeals.

(3) The notice of appeal shall specify the party or parties taking the appeal, and shall designate the judgment or order appealed from.

Rule 12.54. Time for Taking. The time within which an appeal may be taken to the Court of Appeals shall be five days from the entry of the judgment or order appealed from, but if a timely motion has been made for a new trial or in arrest of judgment, an appeal from a judgment of conviction may be taken within five days after entry of the order denying the motion.

Rule 12.56. Record on Appeal. The clerk of the circuit court shall prepare and certify a true copy of the entire record of the trial. An original exhibit, when requested, shall be certified by the clerk as a part of the record on appeal. The matter certified under these provisions shall constitute the record on appeal and shall be transmitted by the clerk of the Court of Appeals.

Rule 12.58. Filing Record on Appeal. The record on appeal shall be filed with the Court of Appeals within 60 days from the date of filing the notice of appeal; except that, when more than one appeal is taken from the same judgment, the circuit court may prescribe the time for filing, which in no event shall be less than 60 days from the date of filing the first notice of appeal. In all cases the circuit court in its discretion and with or without motion or notice may extend the time for filing the record on appeal, if its order for extension is made before the expiration of the period for filing as originally prescribed or as extended by a previous order; but the circuit court shall not extend the time to a day more than 110 days from the date of filing the first notice of appeal.

Rule 12.60. Correction or Modification of Record. It is not necessary for the record on appeal to be approved by the circuit court or judge thereof except as provided in Rule 12.68 and 12.72 but if any difference arises as to whether the record truly discloses what occurred in the circuit court, the difference shall be submitted to and settled by that court and the record made to conform to the truth. If anything material to either party is omitted from the record on appeal by error or accident or is misstated therein, the parties by stipulation, or the circuit court, either before or after the record is transmitted to the Court of Appeals, or the Court of Appeals, on a proper suggestion or its own initiative, may direct that the omission or misstatement shall be corrected, and if necessary that a supplemental record shall be certified and transmitted by the clerk of the circuit court. All other questions as to the content and form of the record shall be presented to the Court of Appeals.

Rule 12.62. Statement of Points. No assignment of errors is necessary.

Rule 12.64. Transcript of Evidence and Proceedings. Promptly after an appeal to the Court of Appeals is taken, the appellant shall file with the circuit court the reporter's transcript and a copy thereof, if the proceedings at the trial or hearing have been stenographically reported.

Rule 12.66. Several Appeals. When more than one appeal is taken to the Court of Appeals from the same judgment, a single record on appeal shall be prepared.

Rule 12.68. Appeals when No Stenographic Report is Available. In the event no stenographic report of the evidence or proceedings at a hearing or trial was taken, or if taken, cannot be transcribed, the appellant may prepare a narrative statement of the evidence or proceedings from the best available means, including his recollection, for use instead of a stenographic transcript. The statement shall be served on the appellee, who may serve objections or proposed amendments thereto within ten days after service upon him. Thereupon the statement, with the objections or proposed amendments, shall be submitted to the circuit court for settlement and approval, and as settled and approved shall be included by the clerk of the court in the record on appeal. A copy of the statement as approved shall be furnished by the appellant or made by the clerk to remain on file in the clerk's office as a part of the original record.

Rule 12.70. Bystanders Bill. In the event that the trial judge refuses or is unable for any reason to approve a record of the proceedings and evidence when submitted to him for settlement; or in the event he approves such a record or enters a correction thereon over a party's objection, an aggrieved party may, within five days after the trial judge's action, serve an exception as written by him, if its truth is attested by the affidavits of two bystanders, but its truth may be controverted and maintained by other affidavits so served, not exceeding five on either side. Affidavits controverting must be filed within five days after the serving of the correction, and those maintaining within ten days after the serving of the correction.

Rule 12.72. Agreed statement. When a question presented by appeal to the Court of Appeals can be determined without an examination of all the evidence and proceedings in the court below, the parties may prepare and sign a statement of the case showing how the questions arose and were decided in the circuit court, and setting forth only so many of the facts proved or sought to be proved as are essential to a decision of the questions by the appellate court. The statement shall include a copy of the judgment appealed from, a copy of the notice of appeal with its filing date, and a concise statement of the points to be relied on by the appellant. If the statement conforms to the record, proceedings and proof, it, with such additions as the circuit court may consider necessary fully to present the questions raised by the appeal, shall be approved by the circuit court and shall then be certified to the Court of Appeals as the record on appeal.

Rule 12.74. Preference. Preference shall be given to appeals in criminal cases over appeals in civil cases.

Rule 12.76. Stay of Execution. (1) (Death.) A sentence of death shall be stayed if an appeal is taken, but the defendant may be transferred to the penitentiary.

(2) (Imprisonment.) A sentence of imprisonment shall be stayed if an appeal is taken and the defendant elects not to commence service of the sentence or is admitted to bail.

(3) (Fine.) A sentence to pay a fine or a fine and costs, if an appeal is taken, may be stayed by the circuit court upon such terms as the court deems proper.

(4) (Probation.) An order placing the defendant on probation shall be stayed if an appeal is taken.

Rule 12.78. Bail on Appeal. (1) Bail may be allowed by the trial judge pending appeal to the Court of Appeals in all cases except where the defendant has been sentenced to life imprisonment or death.

(2) The applicable provisions governing bail shall apply to bail on appeal.

(3) The court allowing bail may at any time revoke the order admitting the defendant to bail.

Rule 12.80. Execution and Approval of Bond. The appeal bond may be given at or after the time of filing the notice of appeal. The stay is effective when the bond is approved by the court or the clerk, and the clerk shall give prompt notice of such approval to the attorney for the Commonwealth.

Rule 12.82. Application for Relief Pending Review. If an application is made to the Court of Appeals, for bail pending appeal or for an extension of time for filing the record on appeal or for any other relief which might have been granted by the circuit court, the application shall be upon notice and shall show that application to the court below is not practicable or that application has been made and denied with the reasons given for the denial, or that the action on the application did not afford the relief to which the applicant considers himself to be entitled.

CHANGES IN STATUTES RELATED TO CRIMINAL PROCEDURE

Section 1. Section 21.140 of the Kentucky Revised Statutes is created to read as follows:

(1) A defendant may appeal as a matter of right to the Court of Appeals from a final judgment of the circuit court imposing a sentence of confinement or imprisonment of twelve months or more.

(2) The Court of Appeals may grant an appeal on a motion by a defendant from a final judgment of the circuit court imposing a sentence of confinement of less than twelve months or a fine or both. The court may also grant an appeal on a motion by a defendant from a final judgment of a county judge on a prosecution transferred to the county judge in accordance with KRS 23.145.

(3) An appeal may be taken to the Court of Appeals by the Commonwealth from an adverse decision or ruling of the circuit judge and such an appeal shall not suspend the proceedings in the case.

Section 2. Section 23.032 of the Kentucky Revised Statutes is created to read as follows:

(1) The defendant may appeal from a judgment of a county, quarterly, justice's or police court imposing a fine or confinement, or both, to the circuit court of the county in which the judgment was rendered.

(2) The Commonwealth or city shall have no right of appeal to the circuit court from judgments of courts of inferior jurisdiction except where the validity of an ordinance is in issue.

Section 3. Section 25.012 of the Kentucky Revised Statutes is created to read as follows:

A county judge or a justice of the peace of the county in which a public offense has been committed is authorized to examine the charge, and commit to jail or hold to bail the person charged with its commission, except the judge of the county court shall have exclusive jurisdiction in all cases of homicide unless he is absent from the county or cannot properly preside, or unless otherwise provided by law.

Section 4. Section 25.014 of the Kentucky Revised Statutes is created to read as follows:

The right of the accused to a trial by a jury in a criminal prosecution in the county, quarterly and justices' courts shall be governed by the statute providing for jury trial of prosecutions in the police court of the city of the highest class located in the county.

Section 5. Subsection (3) of Section 26.330 of the Kentucky Revised Statutes is amended to read as follows:

(3) In cities of the third, fourth, fifth and sixth classes the police judge may issue all processes.

Section 6. Subsection (4) of Section 26.400 of the Kentucky Revised Statutes is amended to read as follows:

(4) In cities of the fourth, fifth and sixth classes, the accused may demand a jury trial in all cases in the police court where the fine may be more than twenty dollars.

Section 7. Section 28.320 of the Kentucky Revised Statutes is created to read as follows:

On the conviction of a clerk for an offense for which forfeiture of office is provided by statute, the clerk of the court of conviction shall forward to the Attorney General a copy of the judgment, upon receipt of which the Attorney General shall institute proceedings for removal of the convicted clerk.

Section 8. Section 29.225 of the Kentucky Revised Statutes is re-enacted to read as follows:

The foreman of a grand jury shall have the power to administer an oath or affirmation to each witness who testifies before the grand jury.

Section 9. Section 29.262 of the Kentucky Revised Statutes is created to read as follows:

If, after making a fair effort in good faith, the judge is satisfied that it will be impracticable to obtain a jury free of bias in the county in which the prosecution is pending, he may order the sheriff to summon a sufficient number of qualified jurors from some adjoining county in which the judge believes there is the greatest probability of obtaining impartial jurors. The sheriff shall go to the circuit judge of the adjoining county, if he is in the county at the time, and request the judge to draw from the jury drum sufficient names and to record the names upon paper, certify and sign it. The sheriff shall then summon from such list the number ordered to be summoned. If the circuit judge is not in the county at the time, the sheriff shall select such jurors from the panels which served, and whose names appeared of record, as jurors at the previous regular term of court in the adjoining county. If the jurors who served at the preceding term are not sufficient in number to meet the number ordered summoned, the sheriff shall select the remainder from the list which served at the next to the last preceding term. From the persons so summoned the jury may be formed.

Section 10. Section 29.268 of the Kentucky Revised Statutes is created to read as follows:

When, in the opinion of the court, it is necessary that the jury view the place in which the offense is charged to have been committed, or in which any other material fact occurred, it may order the jury to be conducted in a body, in the custody of proper officers and accompanied by the judge, prisoner and counsel for each side to the place, which must be shown to them by the judge, or by a person appointed by the court for that purpose. The officers must be sworn to suffer no person to speak to, or communicate with, the jury on any subject connected with the trial, nor do so themselves, but shall merely show the place to be viewed, and return them into court without unnecessary delay, or at a specified time.

Section 11. Section 63.035 of the Kentucky Revised Statutes is created to read as follows:

(1) If an impeachment is recommended by the committee of the House of Representatives to which it is referred, the committee shall draw up the Articles of Impeachment in accusation of the officer and submit the articles to the House with the recommendation for impeachment.

(2) The Articles of Impeachment shall state with reasonable certainty the misdemeanor in office for which impeachment is sought; and if there be more than one misdemeanor, each shall be stated separately and distinctly.

Section 12. Section 63.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) If an impeachment is ordered by the House of Representatives a committee shall be appointed to prosecute it, and the committee chairman shall, within five days, lay the impeachment before the Senate.

(2) The Senate shall appoint a day for hearing the impeachment. The accused shall be summoned by precept, issued by the Clerk of the Senate, to appear on that day. The precept shall be served in person, or a copy left at his residence with a member of his family over the age of sixteen years, together with a copy of the impeachment.

(3) The Clerk of the Senate shall, at the instance of the chairman of the committee, or of the accused, issue process for the summoning of witnesses, and the production of books, papers, documents, or tangible things. Process so issued shall be executed by peace officers or officers specially appointed by the Senate for that purpose in the same manner as similar process of courts. Upon disobedience to the process, the Senate may order the clerk to issue process for arresting

the witnesses and seizing the books, papers, documents, or tangible things. Disobedience may be punished in the manner provided for other witnesses before the General Assembly.

(4) A witness so summoned shall receive the same compensation, and have the same privilege in going, remaining and returning, as a witness in circuit court.

Section 13. Section 63.055 of the Kentucky Revised Statutes is created to read as follows:

The Senate shall determine what amount of absence of a senator during the trial shall exclude the senator from voting on the final decision.

Section 14. Section 63.075 of the Kentucky Revised Statutes is created to read as follows:

In a proceeding for impeachment instituted by the House of Representatives without a petition from any person, if the accused be acquitted he shall be entitled to his costs, to be taxed by the Clerk of the Senate against the Commonwealth. If the accused be convicted, he shall pay the costs, to be taxed by the Clerk and recovered by motion by the Attorney General, in the Franklin Circuit Court at the first term thereof, without notice, or afterward on notice.

Section 15. Section 64.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) A justice of the peace, police judge or other officer shall be paid out of the State Treasury, for holding examining courts, two dollars for the first day's service, and one dollar each additional day, but not more than four dollars in any one case. No allowance shall be made for holding examining courts until the grand jury has returned an indictment.

(2) A county judge shall not receive any fee from the Commonwealth for any services rendered as examining courts.

Section 16. Section 70.060 of the Kentucky Revised Statutes is amended to read as follows:

Any sheriff, deputy sheriff or other like officer may command and take with him the power of the county, or a part thereof, to aid him in the execution of the duties of his office, and may summon as many persons as he deems necessary to aid him in the performance thereof.

Section 17. Section 197.041 of the Kentucky Revised Statutes is created to read as follows:

If a defendant is confined in the penitentiary during the pendency of an appeal and, on reversal, is again convicted, he shall be given credit for the period so confined in determining his date of eligiblity for parole and his date of release by expiration of sentence.

Section 18. Section 208.380 of the Kentucky Revised Statutes is amended to read as follows:

An appeal may be taken from the juvenile session of the county court from all orders and judgments whereby any infant, or other person, shall be restrained of his liberty, or placed in the custody of any institution, or fined or punished in any manner, whether in a criminal or quasi-criminal, civil, or other proceeding. The appeal shall be taken in the manner provided in the Rules of Criminal Procedure, except that the judgment is not suspended by taking the appeal, and the transcript when filed in the office of the Clerk of the Circuit Court shall be accompanied by a motion for an appeal, supported by an affidavit of merits, signed by the appellant, or if he be an infant, by his parent or guardian, or if such infant have no parent or guardian, then by his next friend, which affidavits shall state the nature of the controversy and such facts as are necessary to enable the circuit judge to determine whether an appeal shall be allowed, and the disposition of the child pending the hearing on appeal, the county attorney shall be notified of the motion for an appeal and given an opportunity to file counter affidavits.

Section 19. Section 419.020 of the Kentucky Revised Statutes is created to read as follows:

The writ of habeas corpus shall be issued upon petition on behalf of anyone showing by affidavit probable cause that he is being detained without lawful authority or is being imprisoned when by law he is entitled to bail.

The writ may be issued by any circuit judge on any day at any time and his power to issue such writs shall be co-extensive with the Commonwealth.

Section 20. Section 419.030 of the Kentucky Revised Statutes is created to read as follows:

The writ must be signed by the judge issuing it and command the person having custody of or restraining the person in whose behalf it is issued to bring him personally before the circuit judge of the county in which the person is being detained at the time therein specified. The writ must be made returnable as soon as possible.

Section 21. Section 419.040 of the Kentucky Revised Statutes is created to read as follows:

The judge granting the writ may require bond conditioned that the person detained shall not escape by the way, and for the payment of costs. The bond shall be filed with the record of the proceedings, and shall be sued on by the Commonwealth for the benefit of any one injured by the breach of it.

Section 22. Section 419.050 of the Kentucky Revised Statutes is created to read as follows:

When the person on whose behalf the writ is granted is not in the custody of a public officer, the judge issuing it, for good cause shown, may direct the person serving it to take the person detained into his custody and produce him on the return of the writ.

Section 23. Section 419.060 of the Kentucky Revised Statutes is created to read as follows:

(1) Service shall be made by delivering a copy of the writ personally to the person to be served, or if acceptance is refused, by offering personal delivery to such person.

(2) If the person to be served is absent from the place of detention, service shall be made by delivering a copy of the writ personally to the person having the person detained in immediate custody.

(3) If the person to be served conceals himself, or refuses admittance to the party attempting to serve the writ, it may be served by affixing a copy of it on some conspicuous place on the outside of his place of abode, or of the place where the party is confined or detained.

(4) The writ may be served at any time on any day. The return of the officer or person serving shall be proof of the time and manner of service.

Section 24. Section 419.070 of the Kentucky Revised Statutes is created to read as follows:

(1) The person commanded by the writ may file a response in which he shall state whether he has the party in his custody, or under his power of restraint.

(2) If he has the party in his custody or under his power of restraint, he shall state the authority for and cause of such custody or restraint. If the detention is by virtue of a legal process, a copy thereof must be annexed to the response.

(3) If he had the party in his custody or under his power of restraint at any time prior or subsequent to the date of the writ, but has transferred such custody or restraint to another, the response must state particularly to whom, at what time and place, for what cause and by what authority such transfer took place.

(4) The response must be signed by the party making it or his attorney in accordance with the Rules of Civil Procedure governing the signing of pleadings.

Section 25. Section 419.080 of the Kentucky Revised Statutes is created to read as follows:

The person commanded by the writ shall bring the detained person according to the command of the writ unless it is made to appear by affidavit that because of sickness or infirmity such person cannot be brought before the judge without danger to his health. If the judge is satisfied of the truth of the affidavit he may proceed and dispose of the case as if the party had been produced, or the hearing may be postponed until the party can be present.

Section 26. Section 419.090 of the Kentucky Revised Statutes is created to read as follows:

If the person commanded by the writ refuses to obey, he shall be adjudged in contempt of court.

Section 27. Section 419.100 of the Kentucky Revised Statutes is created to read as follows:

Evidence may be produced and compelled as in civil actions. Depositions taken in accordance with the provisions of the Rules of Civil Procedure may be read as evidence at the hearing on the writ.

Section 28. Section 419.110 of the Kentucky Revised Statutes is created to read as follows:

(1) The hearing on the writ shall be summary in nature.

(2) The judgment shall fix the costs of the proceeding, including the charge for transportation of the prisoner or party detained.

(3) Where the person detained is a party to a prosecution pending in another court, a copy of the judgment shall be forwarded to the clerk of that court.

Section 29. Section 419.120 of the Kentucky Revised Statutes is created to read as follows:

If the evidence at the hearing shows probable cause that the detained person is guilty of an offense that is within the exclusive jurisdiction of another court, or that was committed in another county, the court shall order that he be taken immediately before the court having jurisdiction or remand him to the custody of an officer to be taken to the proper county for new proceedings against him.

Section 30. Section 419.130 of the Kentucky Revised Statutes is created to read as follows:

(1) Any party to a hearing on a writ may appeal to the Court of Appeals by filing with the clerk of the court, within thirty days after the entry of the judgment, the original record and a transcript of the evidence, together with a notice of appeal, which notice shall be served on the other parties at least two days before the appeal is filed. Upon the filing of the appeal the clerk shall immediately deliver the papers to the Chief Justice, and the Court shall proceed immediately to hearing thereof and complete the same as soon as practicable. If the Court is in vacation at the time the appeal is filed, the Chief Justice shall call together a majority of the judges of the Court who shall hear and determine the appeal as in regular session.

(2) If the judgment in a habeas corpus proceedings orders the release of the person detained, any party may have the judgment stayed until the appeal is filed by notifying the judge rendering the

judgment that he intends to appeal and upon complying with such terms as to bond or otherwise as the judge deems proper for the security of the person detained. The Court of Appeals may continue, modify or set aside the stay pending the appeal. The appellant may be required to give security for costs.

Section 31. Section 431.005 of the Kentucky Revised Statutes is created to read as follows:

(1) A peace officer may make an arrest in obedience to a warrant, or without a warrant when a felony or misdemeanor is committed in his presence or when he has reasonable grounds to believe that the person being arrested has committed a felony.

(2) A private person may make an arrest when a felony has been committed in fact and he has reasonable grounds to believe that the person being arrested has committed it.

Section 32. Section 431.010 of the Kentucky Revised Statutes is re-enacted as Section 452.510 to read as follows:

Unless otherwise provided by law, the venue of criminal prosecutions and penal actions is in the county or city in which the offense was committed.

Section 33. Section 431.015 of the Kentucky Revised Statutes is created to read as follows:

(1) A peace officer may issue a citation instead of making an arrest for a misdemeanor committeed in his presence, if there are reasonable grounds to believe that the person being cited will appear to answer the charge. The citation shall provide that the defendant shall appear within a designated time.

(2) If the defendant fails to appear in response to the citation, or if there is reasonable grounds to believe that he will not appear, a complaint may be made before a magistrate and a warrant shall issue.

Section 34. Section 431.020 of the Kentucky Revised Statutes is re-enacted as Section 452.620 to read as follows:

When there is a reasonable doubt as to whether the offense was committed in the county in which an indictment has been returned or in some other county, the venue of the prosecution is in the county in which the indictment was returned.

Section 35. Section 431.025 of the Kentucky Revised Statutes is created to read as follows:

(1) The person making an arrest shall inform the person about to be arrested of the intention to arrest him, and of the offense for which he is being arrested.

(2) An arrest is made by placing the person being arrested in restraint, or by his submission to the custody of the person making

the arrest. The submission shall be in the actual presence of the arrester.

(3) No unnecessary force or violence shall be used in making an arrest.

Section 36. Section 431.030 of the Kentucky Revised Statutes is re-enacted as Section 452.520 to read as follows:

Where any part of a river, watercourse, highway, road or street constitutes the boundary line between two counties, the venue is in both counties for the prosecution of crimes committed over the whole extent of such part of the river, watercourse, highway, road, street or any island in the river.

Section 37. Section 431.035 of the Kentucky Revised Statutes is created to read as follows:

An officer making an arrest may summon as many persons as he deems necessary to aid in making the arrest.

Section 38. Section 431.040 of the Kentucky Revised Statutes is re-enacted as Section 452.530 to read as follows:

The venue of prosecutions for crimes committed on the Mississippi, Ohio, Big Sandy or Tennessee Rivers is in any of the counties bordering on the same river.

Section 39. Section 431.045 of the Kentucky Revised Statutes is created to read as follows:

A peace officer in actual pursuit may continue such pursuit across corporate or county lines for the purpose of making an arrest.

Section 40. Section 431.050 of the Kentucky Revised Statutes is re-enacted as Section 452.560 to read as follows:

Where an injury is inflicted or poison is administered in one county and death ensues in another, the trial for the homicide may be in either county.

Section 41. Section 431.055 of the Kentucky Revised Statutes is created to read as follows:

If a person lawfully arrested escape or is rescued, the person from whose custody he escaped or was rescued may immediately pursue and retake him in any part of the Commonwealth and may be joined in the pursuit and recapture by peace officers in the immediate area or vicinity.

Section 42. Section 431.100 of the Kentucky Revised Statutes is amended to read as follows:

All fines and forfeitures imposed by law shall inure to and vest in the Commonwealth, except where, by law, the whole or a part thereof is given to a person or to some particular object, and may be recovered by civil procedure by the person to whom it is given or upon indictment or information.

Section 43. Section 431.130 of the Kentucky Revised Statutes is amended to read as follows:

Prisoners sentenced to punishment by confinement in the penitentiary shall be kept at hard labor. If the punishment is a fine or imprisonment in the jail of the county, or both, the imprisonment shall be close confinement in the jail of the county where the trial was held, unless otherwise provided. The prisoner shall also be confined in the county jail until the costs are paid, unless otherwise provided. In any jurisdiction where there is a county workhouse the court may in its discretion confine the prisoner to the county workhouse instead of the county jail.

Section 44. Section 431.230 of the Kentucky Revised Statutes is re-enacted as Section 431.215 to read as follows:

If the judgment imposes a sentence of death or confinement in the penitentiary, county jail or other institution, two certified copies thereof shall be furnished forthwith to the sheriff who shall execute the same by delivering the defendant and a certified copy of the judgment to the person in charge of the penitentiary, jail or institution of confinement and making a written return thereof in the office of the clerk of the court within ten days after the execution.

Section 45. Section 431.218 of the Kentucky Revised Statutes is created to read as follows:

When a judgment sentencing the defendant to death has been affirmed, the mandate shall fix the day of the execution as the fifth Friday following the date of the mandate of the court. The Clerk of the Court of Appeals shall transmit either by special messenger or by registered mail, a certified copy of the mandate to the proper officer which shall be the authority of such officer to carry the mandate into effect. The officer receiving the copy shall report his action both to the Governor and to the circuit court. If from any cause the execution does not take place on the day appointed in the mandate, the Governor may from time to time appoint another day for execution until the sentence is carried into effect.

Section 46. A new subsection of Section 431.240 of the Kentucky Revised Statutes is created to read as follows:

(4) Whenever a judgment of death has not been executed on the day appointed therefor by the court, from any cause whatever, the Governor, by a warrant under his hand and the seal of the Commonwealth, shall fix the day of the execution, which warrant shall be obeyed by the superintendent of the penitentiary.

Section 47. Section 439.260 of the Kentucky Revised Statutes is re-enacted to read as follows:

(1) A circuit court, subject to the provisions and conditions provided in KRS 439.250 to 439.560, may postpone the entering of a

judgment and the imposing of sentence and place the defendant on probation. This order shall only be made on motion of such defendant.

(2) A judgment of a circuit court convicting a person for a criminal offense pursuant to a verdict of a jury shall be a final judgment from which an appeal may be prosecuted but the court on motion of the defendant may withhold issuing separately or incorporating in such judgment a directive that the defendant be taken by the chief law enforcement officer of the county to the penitentiary, there to be confined for the period set forth in the judgment.

(3) In the event an appeal is prosecuted and the judgment of the court is affirmed, the court may in its discretion, after the issuance of the mandate and its filing with the clerk of the circuit court, order that the execution of the sentence be postponed and that the defendant be placed on probation subject to the provisions provided in KRS 439.250 to 439.560.

(4) In placing any defendant on probation, the court shall direct that such defendant be under the supervision of the Division of Probation and Parole.

Section 48. Section 452.540 of the Kentucky Revised Statutes is created to read as follows:

Where a person in one county commits an offense in another county the trial may be in either county.

Section 49. Section 452.550 of the Kentucky Revised Statutes is created to read as follows:

Where an offense is committed partly in one and partly in another county, or if acts and their effects constituting an offense occur in different counties, the prosecution may be in either county in which any of such acts occurs.

Section 50. Section 452.570 of the Kentucky Revised Stautes is created to read as follows:

Where a person in one county aids, abets or procures the commission of an offense in another county he may be tried for the offense in either county.

Section 51. Section 452.580 of the Kentucky Revised Statutes is created to read as follows:

Where a person obtains property by larceny, robbery, false pretenses or embezzlement in one county and brings the property so obtained into or through any other county, he may be tried in the county in which he obtains the property or in any other county into or through which he brings it.

Section 52. Section 452.590 of the Kentucky Revised Statutes is created to read as follows:

Where the offense consists of transporting any property into the

Commonwealth, the venue of the prosecution is in the county into or through which the property has been transported.

Section 53. Section 452.600 of the Kentucky Revised Statutes is created to read as follows:

Where the offense consists of kidnapping, seizing or confining a person without lawful authority, the prosecution may be in any county in which the person is seized, or confined or through or into which he has been carried or brought.

Section 54. Section 452.610 of the Kentucky Revised Statutes is created to read as follows:

Prosecutions against persons publishing a newspaper for any libelous matter contained therein may be in the county where the same is printed and issued, or in the county where the party complaining resides.

Section 55. Section 452.630 of the Kentucky Revised Statutes is created to read as follows:

Where the venue of a prosecution is in two or more counties, the prosecution shall proceed in which the process for the arrest of the defendant is first issued, unless an indictment for the offense is pending in another county.

Section 56. Section 452.650 of the Kentucky Revised Statutes is created to read as follows:

The venue of the prosecution may be waived by the defendant and the failure to make a timely motion to transfer the prosecution to the proper county shall be deemed a waiver of the venue of the prosecution.

Section 57. Sections 455.010, 455.020 and 455.030 (1) of the Kentucky Revised Statutes are re-enacted as Section 23.145 to read as follows:

(1) When a defendant charged with a misdemeanor is unable to give bail and the court in which the prosecution is pending or before which he is ordered to appear is not in session, the officer having custody of the defendant shall take him before the county judge who shall procure a certified copy of the record, notify the county attorney, and proceed to try the case, or set a day for its trial within a reasonable time.

(2) The circuit court shall, at the end of each term, enter and order transferring to the county court any pending prosecutions on charges of misdemeanors provided the defendants are confined in jail. Upon the receipt of a certified copy of the record, the county judge shall proceed with trial, or set a day for trial within a reasonable time.

(3) The county judge shall have the powers of a circuit judge in

prosecutions tried in accordance with subsections (1) and (2) and the proceedings after judgment shall be the same as if the prosecution had been tried in the circuit court.

Section 58. Section 446.200 of the Kentucky Revised Statutes is created to read as follows:

As used in any statute that relates to criminal procedure, the terms "demurrer," "motion to quash" or similar terms shall be construed to mean the motion raising a defense or objection as provided in the Rules of Criminal Procedure.

Section 59. Section 446.210 of the Kentucky Revised Statutes is created to read as follows:

A reference in the Kentucky Revised Statutes to "the Criminal Code" or "Code of Practice in Criminal Cases" shall be construed to be a reference to the Rules of Criminal Procedure or that part of the Rules of the Court of Appeals or of the Kentucky Revised Statutes transferred from the Code of Practice in Criminal Cases which most closely corresponds to the purpose of the reference. A reference to a particular part or section of the Code shall be construed in a similar manner.

Section 60. (1) The creation or amendment of a statute in conflict with a statutory provision of this Act at this regular Session of the General Assembly shall be deemed to amend or repeal the provisions in this Act to the extent such conflict requires. Repeal by another act at this regular Session of the General Assembly of a statutory provision which is also a part of this Act shall not be deemed to effect repeal of the provisions of this Act.

(2) This Act shall be deemed to supersede any other amendments to the Code of Practice in Criminal Cases enacted prior to the passage of this Act. The amendment of a section of the code after the passage of this Act shall be deemed to be effective as a statute if the amendment is to one of the sections or part or parts thereof not prescribed in the Rules of Criminal Procedure as indicated in the disposition tables prepared as part of the Criminal Code Study. If the section being amended is one of the sections incorporated into the Rules of Criminal Procedure, as indicated in the same disposition tables, it shall not be effective as a statute, but shall be construed as a concurrent resolution directed to the Court of Appeals.

Section 61. (1) The following sections and subsections of the Kentucky Revised Statutes are repealed: 26.080, 26.090, 26.100, 26.110, 26.120, 26.330 (4), 26.400 (5); 29.235, 29.260, 29.280 (3); 432.360; 435.140 (2); 451.150; 452.320 (2); 455.030 (2), 455.040, 455.050, 455.060, 455.070, 455.080, 455.110, 455.130.

(2) The Code of Practice in Criminal Cases is repealed in its entirety.

Section 62. (1) The Reviser of Statutes is directed to re-compile Section 455.090 of the Kentucky Revised Statutes as section 421.225; section 455.100 as section 421.135; and section 455.120 as section 431.095.

(2) The Reviser of Statutes is further directed to delete the references to the Code of Practice in Criminal Cases contained in sections 25.480 and 25.490 of the Kentucky Revised Statutes, and to correct the references to the Code in sections 26.300 and 432.070.

(3) The Reviser of Statutes is expressly authorized to correct other references in the statutes made incorrect by this Act.

(4) The Rules of Criminal Procedure shall not be compiled as statutes, but may be published in the same manner as the Rules of Civil Procedure.

Section 63. WHEREAS, the revision of criminal procedure effected by this Act is comprehensive, making it advisable to accomplish distribution of it to members of the bench and bar permitting ample opportunity for attorneys to become acquainted with it and for Court of Appeals to consider suggestions for change before it becomes effective, this Act shall become effective on January 1, 1961. The Rules of Criminal Procedure shall govern further proceedings and prosecutions pending on that date, except to the extent that in the opinion of the court, expressed by its order, their application in a particular prosecution would not be feasible, or would work injustice, in which event the procedure existing at the time the prosecution was brought applies.

SB 235, AN ACT relating to the regulation, conservation and production of oil and gas.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is hereby declared to be the public policy of this Commonwealth to foster conservation of all mineral resources, to encourage exploration for such resources, to protest correlative rights of land and mineral owners, to prohibit waste and unnecessary surface loss and damage and to encourage the maximum recovery of oil and gas from all deposits thereof now known and which may hereafter be discovered; and to promote safety in the operation thereof. To that end, this Statute is enacted and shall be liberally construed to give effect to such public policy.

Section 2. As used in this Act, unless the context otherwise required:

(1) "Department" means the Department of Mines and Minerals as defined in KRS 351.010.

(2) "Chief" means the Chief of the Department of Mines and Minerals as defined in KRS 351.010.

(3) "Director" means the Director of Oil and Gas Conservation as provided in Section 4 of this Act.

(4) "Person" means any natural person, corporation, association, partnership, receiver, governmental agency subject to this Act, trustee, so-called common law or statutory trust, guardian, executor, administrator or fiduciary of any kind.

(5) "Oil"means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir.

(6) "Gas" means all natural gas, including casinghead gas, and all other hydrocarbons not defined above as oil.

(7) "Pool" means an underground reservoir containing a common accumulation of oil or gas or both. Each productive zone of a general structure which is completely separated from any other zone in the structure, or which for the purpose of this Act may be so declared by the department, is covered by the word "pool" as used herein.

(8) "Abandoned," when used in connection with a well or hole, means a well or hole which has never been used, or which, in the opinion of the department, will no longer be used for the production of oil or gas or for the injection or disposal of fluid therein.

(9) "Workable bed" means:

(a) A coal bed actually being operated commercially;

(b) A coal bed that the department decides can be operated commercially and the operation of which can reasonably be expected to commence within not more than ten years; or

(c) A coal bed which, from outcrop indications or other definite evidence, proves to the satisfaction of the chief to be workable, and which, when operated, will require protection if wells are drilled through it.

(10) "Well" means a borehole drilled, or proposed to be drilled, for the purpose of producing natural gas or petroleum, or one through which natural gas or petroleum is being produced, or a borehole drilled or proposed to be drilled for the purpose of injecting any water, gas or other fluid therein or one into which any water, gas or other fluid is being injected.

(11) "Operator" means any person who proposes to or does locate, drill, operate or abandon any well.

Section 3. (1) This Act shall apply to all lands located in the Commonwealth, however, owned, including any lands owned or administered by any government or any agency or political subdivision thereof, over which the Commonwealth has jurisdiction under its police power.

(2) The waste of oil and gas is hereby prohibited. The waste

prohibited includes physical waste as that term is generally understood in the oil and gas industry and includes:

(a) The locating, drilling and producing of any oil or gas well, or wells drilled, deepened, or re-opened contrary to any provision of, or any order, rule or regulation promulgated or issued under this Act;

(b) Permitting the migration of oil, gas or water from the stratum in which it is found into other strata, thereby ultimately resulting in the loss of recoverable oil or gas, or both;

(c) The drowning with water of any stratum or part thereof capable of producing oil or gas in paying quantities, except for secondary recovery purposes, or in hydraulic fracturing or other completion practices;

(d) The unreasonable damage to underground, fresh or mineral water supply, workable coal seams, or other mineral deposits in the operations for the discovery, development, production or handling of oil and gas; and

(e) The unnecessary or excessive surface loss or destruction of oil or gas.

(3) The production of oil or gas from any well in any pool unless a permit has been issued as required by this Act, or in violation of the spacing provisions of this Act is prohibited; except that this subsection shall not prohibit the continuation of production of oil or gas from a well producing oil or gas at the effective date of this Act.

Section 4. (1) The Governor shall appoint, as Director of Oil and Gas Conservation in the Department of Mines and Minerals, a person who has, at the time of his appointment, at least five years experience in the exploration for or the production of oil or gas.

(2) It shall be his duty to administer the provisions of this Act subject to the direction and supervision of the chief.

(3) Before taking office, the director shall take oath, which shall be certified by the officer administering it. The oath, in writing, and the certificate shall be filed in the office of the Secretary of State.

(4) No director shall, while holding office, acquire any financial interest, directly or indirectly, in any venture or activity for the exploration for or production of oil or gas in this Commonwealth.

Section 5. (1) The Governor shall appoint an Advisory Board in the department composed of five residents of this Commonwealth whose principal occupation for at least five years has been the exploration for or production of oil or gas in Kentucky.

(2) The Advisory Board shall be subject to the call of the chief or director for advice and consultation concerning:

(a) The promulgation of rules and regulations pertaining to the conservation of oil and gas, and amendments thereto.

(b) Technical information and operations concerning the improvements of methods, conditions, and equipment for the production of oil or gas.

(c) The proper drilling, casing and plugging of oil or gas wells.

(d) The issuing of permits to drill oil or gas wells.

(e) Any and all other subjects about which the chief or director should seek information in relation to the oil and gas industry.

(3) Each member of the Advisory Board shall be paid his necessary traveling and other expenses incurred on account of and when engaged in the discharge of his official duties.

Section 6. (1) The Department is authorized and it shall be its duty to administer and enforce this Act, all rules and regulations promulgated and orders issued hereunder, and to conduct such investgations as it deems necessary.

(2) The Department is hereby granted authority and jurisdiction over all persons and property necessary for such purposes.

Section 7. Without limiting its general authority, the Department shall have the specific authority to require of and from all operators of any oil or gas property in this Commonwealth;

(1) Identification of producing leases;

(2) The making of driller's logs, and filing of all logs and downhole surveys made;

(3) The drilling, casing, operation and plugging of well in such manner as to prevent (a) the escape of oil or gas from one pool into another, or into mineral bearing stratum, (b) the detrimental instrusion of water into an oil or gas pool or into mineral bearing stratum that is avoidable by efficient operations, (c) blow-outs, cavings, seepages, and fires;

(4) The furnishing of a reasonable performance bond with good and sufficient surety, conditioned on compliance with all provisions of this Act, and all rules, regulations and orders promulgated and issued hereunder; and

(5) The filing of the reports and plats with the department for transmittal to the Kentucky Geological Survey as may be prescribed by rules and regulations promulgated hereunder. All such reports and plats shall be transmitted by the department to the Kentucky Geological Survey within thirty days after receipt thereof by the department.

Section 8. Without limiting its general authority the department shall regulate:

(1) The drilling and plugging of all wells;

(2) The spacing or locating of wells;

(3) The use of vacuum; and

(4) Make recommendations to the Water Pollution Control Commission as to disposal of salt water and oil field wastes.

Section 9. (1) No person shall drill or deepen a well, or reopen a plugged well for the production of oil or gas or for the injection of water, gas or other fluid into any oil or gas producing formation (except seismograph test holes, water supply wells, and geological or structure test holes) after the effective date of this Act until such person shall obtain a permit from the department.

(2) When any applicant for a permit as required by this section has complied with the provisions of Chapter 353 of the Kentucky Revised Statues and the provisions of this act and all rules and regulations promulgated hereunder, the Department shall issue the permit.

(3) The department may authorize the commencement of the drilling, deepening or reopening of any well prior to the issuance of a permit therefor; except if the location of the well is known to be underlaid by a coal-bearing stratum and consent of the owner, operator, and lessee of the coal-bearing stratum has not been granted. Consent shall be implied, when the coal-bearing stratum is owned by the oil and gas lessor or lessee.

Section 10. (1) Each permit issued under this Act shall expire one year after the date issued, unless the drilling, deepening or reopening of a well is commenced pursuant thereto prior to the expiration of the one-year period.

(2) All permits issued by the department under any previous Act shall continue in force as written, only if the drilling of the well has been commenced pursuant thereto on or before sixty days after the effective date of this Act.

Section 11. (1) Any person, seeking a permit required by Section 9 of this Act, shall submit to the department a written application in such form as may be prescribed by the department.

(2) Each application shall be accompanied by a specified fee. The fee shall be twenty-five dollars for each well to be drilled, deepened or reopened for the production of oil or gas; ten dollars for each well to be drilled, deepened or reopened for the injection of water, gas or other fluid therein; and ten dollars for each well to be drilled, deepended or reopened as a part of a program for the recovery of oil and gas by secondary recovery methods, except that the fee in no event shall exceed one hundred dollars for the permits issued in this last case for all wells on each separately leased tract.

(3) All money paid to the State Treasuer for licenses and fees required by this Act shall be for the sole use of the department and shall be in addition to any monies appropriated by the General Assembly for the use of the department.

(4) Each application shall be accompanied by a plat, which

shows the location and elevation of each well, prepared according to the rules and regulations promulgated under this Act. The plat shall be certified as accurate and correct by the applicant, a qualified employee of the applicant, a person approved by the Department, or an engineer registered in Kentucky. If any plat submitted by an applicant is determined by the Department to be materially inaccurate or incomplete, the Department may require that a new plat be prepared and submitted either by a person approved by the director or an engineer registered in Kentucky. The Department may further require that all future plats submitted by such an applicant be prepared either by a person approved by the director or an engineer registered in Kentucky.

Section 12. (1) If the location of any well proposed to be drilled, deepened or reopened is known to be underlaid by a coal-bearing stratum, which is not in operation, owned by a person other than the oil and gas lessor or lessee; then, simultaneously with the filing of an application for a permit, the applicant shall send by registered or certified mail a copy of the required plat to the record owner or owners, and lessee.

(2) If the coal-bearing stratum is under operation, a copy of the required plat shall also be sent to each coal operator, operating any stratum.

(3) Any agent of the coal operator or the superintendent in actual charge of a mine may be considered as a coal operator, and any process agent or other agent or person in charge of the coal for him may be considered the owner for the purpose of mailing the required copy of the plat.

(4) If the address of any record owner is unknown to the applicant and can not upon diligent inquiry within the county be ascertained, or if there are more than five record owners; then, if the applicant shall file with the department an affidavit that either condition exists, the department may prescribe some different method of notifying record owner in lieu of sending a copy of the plat as required by this section or may dispense with the requirements of this section.

Section 13. (1) Except as provided in this Act, no permit shall be issued for the drilling, deepening or reopening of any well for the production of oil, unless the proposed location of the well shall be at least two hundred feet from the nearest boundary of the premises upon which the well is to be drilled, deepened or reopened; and, if the proposed location is less than four hundred feet from any boundary line of the premises, the proposed location must be at least four hundred feet from the nearest oil producing well. This subsection shall not be construed to regulate the distance between wells which do not produce oil for the same pool.

(2) Except as provided in this Act, no permit shall be issued for

the drilling, deepening or reopening of any well for the production of gas unless the proposed location of the well shall be at least five hundred feet from the nearest boundary of the premises upon which such well is to be drilled, deepened or reopened; and, if the proposed location is less than one thousand feet from any boundary line of the premises, the proposed location must be at least one thousand feet from the nearest gas producing well. This subsection shall not be construed to regulate the distance between wells which do not produce gas from the same pool.

(3) This section shall not apply (a) to wells drilled, deepened or reopened for the injection of water, gas or other fluids into an oil or gas producing formation; (b) to any well drilled, deepened or reopened in a pool or portion thereof, which is included in a secondary recovery program commenced or proposed, if the location or proposed location of the well conforms to a geometric pattern already established on all premises which will be offset and affected by the well; or (c) to premises within the limits of any incorporated city, town or village which has enacted or enacts hereafter an ordinance regulating the location or spacing of wells for the production of oil and gas at distances of not less than the distances prescribed in this section.

Section 14. (1) Notwithstanding Section 13 of this Act, if an application is submitted for a permit to drill, deepen or reopen a well closer to a boundary or to another well than prescribed in Section 13 and the application is accompanied by the written consent of all owners of oil and gas interests in any premises which will be offset by the proposed well, the department shall issue a permit for the well.

(2) Notwithstanding Section 13 of this Act, the department may issue a permit for a well to be drilled, deepened or reopened closer to a boundary or another well than prescribed in Section 13 of this Act; if the director, after notice and hearing, finds that topographical or other conditions are such as to make compliance with the requirements of Section 13 of this Act unduly burdensome or in conflict with reasonably prudent methods and practices for the production of oil or gas.

(3) If a permit is issued to drill, deepen or reopen a well under this section at a location closer to a well or boundary than prescribed in Section 13 of this Act, the department shall permit a like variance from the requirements of Section 13 of this Act on all premises off-set and adversely affected by the well.

Section 15. (1) Whenever any separate tract of land is so situated because of size or other condition that it dos not contain a location at which a well for oil or gas may be drilled, deepened or reopened by reason of the spacing provisions of Section 13 of this Act, the department shall order, after notice and a hearing, the pooling of all oil and gas interests in the separate tract or in a portion thereof with all like interests in a contiguous tract or tracts, or portions thereof, as are necessary to afford the pooled tracts one location for the drilling, deepening or reopening of a well for the production of oil or gas in compliance with the spacing requirements of this Act. The department shall require the development and operation of all pooled tracts as a single leasehold estate in accordance with regulations and rules promulgated under this Act.

(2) No pooling as permitted by this section shall be ordered except:

(a) After an application to drill, deepen or reopen a well for the production of oil upon the tract or within four hundred feet of the tract, or after an application for a permit to drill, deepen or reopen a well for the production of gas upon the tract or within one thousand feet of the tract has been submitted; and

(b) After a lessee or owner of an oil or gas interest in the tract shall request the pooling;

(3) No pooling as permitted by this section shall be ordered with respect to any tract or portion thereof upon which a well is drilled, deepened or reopened:

(a) Unless the pooling was requested prior to the commencement of the drilling, deepening or reopening of the well by a lessee or owner of an oil and gas interest in a contiguous tract which does not contain a location at which a well for oil or gas may be drilled, deepened or reopened; and

(b) Unless the request, if made by the owner of an operating interest who elects to participate in the risk and cost of the drilling, deepening or reopening of the well, is accompanied by a bond or other security satisfactory to and in an amount set by the director for the payment of such owner's share of the cost of drilling, deepening or reopening the well.

(4) From and after the date of the pooling all operations, including the commencement, drilling or operating of a well for the production of oil or gas, upon any tract or portion thereof pooled under this Act with one or more other tracts or portions thereof shall be deemed for all purposes the conduct of such operations upon which tract or portion thereof included in the pooling; and that portion of production from the well shared by all owners of each tract or portion thereof included in the pooling shall be deemed to have been actually produced from the tract or portion thereof by a well drilled thereon.

Section 16. (1) A pooling order shall be made only after notice to all persons owning an oil or gas interest in any tract proposed to be pooled with another tract, and after a hearing.

(2) A pooling order shall authorize the drilling, deepening or reopening, and the operation of a well for the production of oil or

gas on the tracts or portions thereof pooled; shall designate the operator to drill and operate the well; shall prescribe the time and manner in which all owners in the pooled tracts or portions thereof may elect to participate therein; shall provide that all reasonable costs and expenses of drilling, deepening or reopening, and the completing, operating, plugging and abandoning the well shall be borne, and all production from the well shall be shared by all owners of operating interests in proportion to the net mineral acres in the pooled tracts owned or under lease to each owner; and shall make provision for the payment of the reasonable actual cost thereof, including a reasonable charge for supervision, by all those who elect to participate therein.

(3) Upon request a pooling order shall provide one or more just and equitable alternatives whereby, an owner of an operating interest, who does not elect to participate in the risk and cost of the drilling, deepening or reopening of a well.

(a) May elect to surrender his interest or a portion thereof to the participating owners on a reasonable basis and for a reasonable consideration which, if not agreed upon, shall be determined by the director; or

(b) May elect to participate in the drilling, deepening or reopening of the well on a limited or carried basis upon terms and conditions determined by the director to be just and reasonable.

(4) A certified copy of any pooling order entered under this Act shall be entitled to be recorded in the office of the County Court Clerk of the county or counties in which all or any portion of the pooled tract is located, and the record of the order, from the time of lodging the order for record, shall be notice of the order to all persons.

Section 17. (1) If one or more of the owners of any operating interest in any portion of the pooled tract shall drill, deepen or reopen and operate, or pay the costs of drilling, deepening, or reopening and operating a well for the benefit of another owner of an opening interest, as provided in the pooling order, then such owner or owners shall be entitled to the proceeds from the share of production from the tracts or portions thereof pooled accruing to the interest of such other owner, exclusive of any royalty reserved in any lease or leases of such tracts or portions thereof or exclusive of 1/8 of production attributable to all unleased tracts or portions thereof, until such proceeds equal the sums payable by or charged to the interest of the other owner plus a reasonable charge for interest on such sums.

(2) If a dispute shall arise as to the costs of drilling, deepening or reopening, and operating a well, the director shall determine and apportion the costs.

Section 18. (1) Any person to whom a permit is issued pursuant to this Act shall file, within ninety days after termination of operations conducted under the permit, with the department for transmittal to the Kentucky Geological Survey on forms to be furnished by the department the following information relating to the well:

(a) A copy of the driller's log certified to be true and accurate;

(b) The depth and thickness of all water zones encountered and logged;

(c) The depth of all showings of oil or gas;

(d) The depth and thickness of all coal seams encountered; and

(e) A true copy of all electrical surveys and similar logs and surveys taken.

(2) Upon request by the department any person to whom a permit is issued shall save for the Kentucky Geological Survey samples of all cuttings from the well drilled or deepened pursuant to the permit for a period of ninety days after completion thereof.

(3) Upon request by any person furnishing information under this section, the information shall be kept confidential for a period of one year after the information is furnished by such person.

Section 19. (1) All rules, regulation and amendments promulgated under this Act shall be promulgated by the department after notice and a hearing. At all hearings held to consider any rules, regulation or amendment thereto, any interested person shall be entitled to be heard.

(2) All hearings held under this Section shall be held at such time and place as is specified by the department, and according to rules and regulations promulgated under this Act. A written record of each hearing shall be kept, unless the keeping of a record shall be waived by all parties who participate therein. All interested persons shall be entitled to be heard at all hearings conducted under this Act.

(3) The director, or his representatives shall attend all hearings under this Section conducted by the department.

(4) All rules, regulations and orders promulgated or issued under this Act shall be in writing, shall be entered in full and indexed in books to be kept by the department for that purpose, shall be public records open for inspection at all times during office hours, and shall be filed in accordance with the provisions of KRS 13.085. A copy of any rule, regulation or order, certified by the chief or director, shall be received in evidence in all courts of this Commonwealth without any further authentication thereof.

Section 20. (1) Any notice required by this Act shall be given by any one or more of the following methods:

(a) Personal service;

(b) The United States mail registered or certified postage prepaid and addressed to the last known mailing address of the person or persons to whom notice is required; or

(c) Publication in three consecutive issues of a newspaper in general circulation in the county or counties where the land affected is situated; except, for hearing required by subsection (1) of Section 19 of this Act, publication may be had in three consecutive issues of a newspaper or oil and gas industry publication in general circulation throughout the state;

(2) Notice of all hearings held under this Act shall be mailed to all persons who shall specify to the department an address to which all such notices may be mailed. Notice mailed to such a person at the given address shall be sufficient notice to the person for all purposes of this Act.

(3) The date of service shall be on the date on which service was made in the case of personal service; the date of last publication in the case of notice by publication; and the date of mailing in the case of notice by mail.

(4) the notice shall issue in the name of the Commonwealth; shall be signed by the department; shall specify the style and number of the proceedings, the time and place of the hearing, and shall briefly state the purpose of the hearing.

(5) If notice is given by personal service, service may be made by an officer authorized to serve process, or by any agent or employee of the department in the same manner as is provided by law for the service of process in civil actions in the courts of the Commonwealth. Proof of service by the agent or employee shall be by affidavit of the agent or employee making personal service.

Section 21. (1) The department shall have the power to summon witnesses, to administer oaths, and to require the production of pertinent records, books, and documents for examination at any hearing or investigation conducted under this Act.

(2) Upon failure or refusal on the part of any person to comply with a subpoena issued under this section, or upon the refusal of a witness to testify as to any matter regarding which he may be interrogated and which is pertinent to the hearing or investigation; any court or record in the Commonwealth upon the application of the chief may issue an attachment for the person and compel him to comply with the subpoena, and to attend before the department, produce records, books and documents for examination, and to give his testimony. The court shall have the power to punish for contempt as in the case of disobedience to a like subpoena issued by the court, or for refusal to testify.

Section 22. (1) Any person aggrieved by any order issued by the department under this Act shall have the right to bring a civil action for review of the order by filing a complaint in the Circuit Court of the county in which the premises of any portion thereof affected by the order is located, or in the Franklin Circuit Court.

(2) The suit shall be brought within thirty days after the order is issued, and in event no suit is filed within the thirty-day period, the order shall be final.

(3) In the suit the burden of proof shall be upon the party complaining of the order, and the order shall be deemed prima facie valid. Any party to the suit may offer in evidence all or any part of the record of the hearing which resulted in the order, and any other relevant evidence.

(4) The practice, pleading and proceedings in the suit shall be in accordance with the Rules of Civil Procedure.

(5) In the suit the court may stay the order until the court shall enter its decree. The court shall have jurisdiction to enter a decree affirming or setting aside the order or remanding the cause with directions to modify the order so that it shall conform to the provisions of this Act. Appeals may be taken by any party to the suit in the same manner and to the same extent as in other civil actions.

Section 23. (1) Whenever it appears that any person is violating or threatening to violate any provision of this Act, or any rule, regulation or order promulgated or issued under this Act, the department may bring siut against the person in the Circuit Court of the county where the violation occurred or is threatened, or in the county in which the defendant resides or in which any defendant resides if there is more than one defendant, to restrain the person from continuing the violation or from carrying out the threatened violation. In such a suit the court shall have jurisdiction to grant without bond or other undertaking the prohibitory or mandatory injunction as the facts may warrant, including a temporary restraining order or injunction.

(2) If the department shall fail to bring suit to enjoin a violation or threatened violation of any provisions of this Act, or any rule, regulation, or order promulgated or issued uder this Act within ten days after receipt of a written request to do so by any person who is or will be adversely affected by the violation, the person making the request may bring suit in his own behalf to restrain the violation or threatened violation in any court in which the department might have brought suit. The department shall be made a party defendant in the suit in addition to the person allegedly violating or threatening to violate a provision of this Act, or any rule, regulation or order promulgated or issued under this Act.

(3) Whenever it appears that any person is violating any provision of this Act, or any rule, regulation or order promulgated or issued hereunder, the Attorney-General or any person who is adversely affected by the violation may bring suit to restrain the violation in any

court in which the department might have brought suit. The department shall be made a party defendant in the suit in addition to the person allegedly violating a provision of or any rule, regulation or order promulgated or issued under this Act.

Section 24. (1) Any person, who continues to violate any provision of this Act, or any rule, regulation or order promulgated or issued under this Act after being notified in writing of the violation by the department shall be subject to a fine or not more than two hundred dollars or imprisonment for a term not exceeding thirty days, or both.

(2) Any person, who does any of the following for the purpose of evading or violating this Act, or any rule, regulation, or order promulgated or issued under this Act, shall be subject to a fine of not more than two hundred dollars or imprisonment for a term not exceeding thirty days, or both.

(a) Makes or causes to be made a false entry or statement in a report, record, account, or memorandum, required by this Act, or by any rule, regulation or order;

(b) Omits or causes to be omitted from a report, record, account or memorandum full, true, and correct entries and information as required by this Act, or by any rule, regulation, or order;

(c) Removes from this Commonwealth or destroys, mutilates, alters or falsifies a report, record, account or memorandum as required by this Act, or by any rule, regulation, or order.

Section 25. This Act shall not be construed to authorize any limitation of production of oil or gas from any well, lease, pool, field or property to prevent or control economic waste or to limit production to market demand.

Section 26. Nothing in this Act is intended to or shall be construed as superseding, impairing, abridging or affecting any contractual rights or obligations now or hereafter existing between the respective owners of oil, gas, coal, or other minerals, or any interests therein.

SB 74, AN ACT relating to investment by insurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 304.428 of the Kentucky Revised Statutes is amended to read as follows:

(1) An insurer may invest its funds in the bonds, debentures or other securities:

(a) Issued by or for Federal land banks and Federal intermediate credit banks under the provisions of the Act of Congress entitled the

Federal Farm Loan Act, and any amendments thereto, and issued by or for banks for cooperatives under the provisions of the Act of Congress entitled the Farm Credit Act of 1933, and any amendments thereto;

(b) Of any Federal Home Loan Bank, issued under provisions of the Act of Congress entitled the Federal Home Loan Bank Act, approved July 22, 1932;

(c) Of Public Housing Authorities, issued under the provisions of the Act of Congress entitled the Housing Act of 1949, and approved July, 1949; the Municipal Housing Commission Act or the Rural Housing Commission Act, and any additional amendments, or issued by any public housing authority or agency in the United States, if such bonds, debentures or other securities are secured by a pledge of annual contributions to be paid by the United States or any agency thereof.

(2) If any class of such bonds is secured, as to payment of principal and interest, by pledge of the faith and credit of the United States, such class of bonds shall be deemed to be eligible for investment under KRS 304.404 and shall not be included within the limitation as to amount invested as set forth in KRS 304.441.

SB 75, AN ACT relating to investments by fiduciaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 386.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any fiduciary holding funds for loan or investment may invest them in:

(a) Bonds or other interest-bearing obligations of the Federal Government;

(b) Bonds, state warrants and other interest-bearing obligations of this state;

(c) Any bonds issued by or for Federal land banks and any debentures issued by or for Federal intermediate credit banks under the Act of Congress known as the Federal Farm Loan Act, and any amendments thereto, and any debentures issued by or for banks for cooperatives under the Act of Congress known as the Farm Credit Act of 1933, and any amendments thereto;

(d) Notes and bonds secured by mortgage or trust deed insured by the Federal Housing Administrator, obligations issued or insured by the Federal Housing Administrator, and securities issued by National Mortgage Associations;

(e) Obligations representing loans and advances of credit that are eligible for credit insurance by the Federal Housing Administrator, and the fiduciary may obtain such insurance;

(f) Loans secured by real property or leasehold, that the Federal Housing Administrator insures or makes a commitment to insure, and the fiduciary may obtain such insurance;

(g) Real estate mortgage notes, bonds and other interest-bearing or dividend-paying securities (including securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940) which would be regarded by prudent businessmen as a safe investment;

(h) Real estate, after obtaining the approval of the county court for such investment; and

(i) Life insurance, endowment and annuity contracts issued by legal reserve companies authorized to do business in this state, after obtaining the approval of the county court for such investment. Said fiduciary may select any optional settlement provided in a policy maturing by death or as an endowment.

(2) Fiduciaries holding funds for loan or investment may make loans with the securities named in subsection (1) as collateral.

(3) The fiduciary shall account for all interest or profit received.

(4) All dividends on shares of a corporation forming a part of the principal of an estate or trust which are payable in shares of the same class of the corporation and which are payable at a rate of 10 percent or more of the corporation's outstanding shares of such class before such dividend, shall be deemed principal of the estate or trust, and all such dividends payable at a rate less than 10 percent of the corporation's outstanding shares of such class before such dividend, shall be deemed income of the estate or trust. Subject to the provisions of this section, all dividends payable otherwise than in the shares of the same class of the corporation itself, including ordinary and extraordinary dividends and dividends payable in shares or other securities or obligations of corporations other than the declaring corporation, shall be deemed income. Where the trustee shall have the option of receiving a dividend either in cash or in the shares of the declaring corporation, it shall be considered as a cash dividend and deemed income, irrespective of the choice made by the trustee.

SB 207, AN ACT relating to the adoption of codes and also revision of ordinances by reference.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby added to Chapter 82 of the Kentucky Revised Statutes the following Section:

82.080. Adoption of codes and revisions of ordinances by reference.

(1) The legislative bodies of cities of all classes shall have power

and authority to adopt traffic, building, plumbing, electrical and other codes by reference and also revisions and codifications of ordinances without the necessity of newspaper or other publication of same, provided that at least five days' notice of the meeting at which same are adopted has been given in a newspaper published, or of general circulation, in said city, and further that said code has been approved at such meeting of said city legislative body and has been made a part of the public records of the city by resolution or ordinance.

SB 222, AN ACT relating to discounts and rebates given to members of the ministry.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person doing business in this state shall discriminate in the giving of discounts or rebates to any person who pursues the profession of an ordained minister in any religion, because such person receives no salary.

HB 254, AN ACT relating to the bag limit and possession of game birds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 150.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall take more wild birds in any one day than the bag limit prescribed for the species, but the Department shall not prescribe bag limits in excess of the following:

Quail	10
Ruffed Grouse or Native Pheasant	4
Doves	Federal Regulations Apply
Ducks	Federal Regulations Apply
Geese	Federal Regulations Apply
Coots and Gallinules	Federal Regulations Apply
Woodcock	Federal Regulations Apply
Snipe	Federal Regulations Apply

(2) No person shall have in his possession at any time any number of wild birds in excess of the bag limit as prescribed by the Department for the particular species, except that a person who has hunted two or more days in succession may transport as personal baggage a total of not more than twice the bag limit as set by regulation for any one day for such birds, and a person may have in his possession, in cold storage locker, as provided in KRS 150.305, a number not exceeding two days' bag limit after the first day of the hunting season.

HB 251, AN ACT relating to the issuance by insurance companies of contracts on a variable basis and the regulation thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) When used in this Act "contract on a variable basis" means any contract issued by a life insurance company providing for the dollar amount of benefits or other contractual payments or values thereunder to vary so as to reflect investment results of any segregated portfolio of investments or of a designated account in which amounts received in connection with any such contract have been placed;

(2) "Commissioner" means Commissioner of Insurance.

Section 2. No domestic or foreign life insurance corporation shall undertake the issuance of any contract on a variable basis until said company has satisfied the commissioner that its condition or method of operation in connection with the issuance of such contracts on a variable basis will not be such as would render its operation unduly hazardous to the public or its policy holders in this state. In determining the qualifications of a company requesting authority to issue or deliver contracts on a variable basis within this state, the commissioner shall consider, among other things, the character, responsibility, and general fitness of the incorporators and of the proposed or duly elected officers and directors of the company, and the regulation of a foreign company by its state of domicile.

Section 3. No agent of any insurance company shall be authorized to sell, or act, or aid in any manner in the negotiation of a contract on a variable basis until he has received a license to sell contracts on a variable basis from the commissioner, which license shall not be issued by the commissioner until he has qualified by examination, to the satisfaction of the commissioner, as to his trustworthiness and competence.

Section 4. Every domestic life insurance company which issues contracts on a variable basis providing for payments which vary directly according to investment experience shall establish one or more separate accounts in connection with such contracts pursuant to regulations adopted by the commissioner. All amounts received by the company which are required by contract to be applied to provide such variable payments shall be added to the appropriate separate account, and the assets of any such separate account shall not be chargeable with liabilities arising out of any other business the company may conduct. Any surplus or deficit which may arise in any such separate account by virtue of mortality experience shall be adjusted by withdrawals from or additions to such account so that the assets of such account shall always equal the assets required to satisfy the company's obligations for such variable payments.

Section 5. A foreign or alien life insurance company authorized to do business in this state may be authorized to issue or deliver contracts on a variable basis in this state providing for payments which vary directly according to investment experience only if authorized to issue such contracts under the laws of its domicile.

Section 6. Every life insurance company which issues or delivers such contracts on a variable basis in this state shall file with the commissioner, in addition to the annual report required by KRS 304.027, such other periodic or special reports as the commissioner may prescribe.

Section 7. The provisions of this Act shall not apply to any contract which does not provide for payments which vary directly according to investment experience.

Section 8. The commissioner shall have the authority to issue such reasonable rules and regulations as may be necessary to carry out the purposes of this Act.

Section 9. Every domestic life insurance company which issues contracts on a variable basis providing for variable payments which vary directly according to investment experience, shall be permitted to invest up to seventy-five percent of premiums received applicable to the variable payment policy account in common stock, and no less than twenty-five percent in debt-free investments, but no more than four percent can be invested in any one debt-free security and no more than two percent can be invested in any one common stock equity.

Section 10. Section 304.400 of the Kentucky Revised Statutes is amended to read as follows:

Except as provided in this Act and KRS 304.453, KRS 304.400 to 304.453 applies to domestic insurers only. Those sections shall not apply to life insurance companies which issue only contracts on a variable basis under the provisions of this Act, nor shall those sections apply to title insurers except as stated in KRS 304.915 to 304.923.

SB 164, AN ACT relating to contributions and expenditures in connection with elections, and the reporting thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Each state and county executive committee of a political party and each organization, group or other committee organized in support of a candidate or party in any primary or election for state-wide party or public offices, members of Congress, members of the legislature and county-wide party or public offices, shall make a report of the amount of money received from each candidate qualifying in the county or state, as the case may be, on the first Monday of the month following the closing date of qualification of candidates. Each such executive committee, organization, group or other committee shall make a full and complete report of all moneys or other things of value contributed to them or to any member of such body and such report shall contain the names and addresses of each of the contributors and the amount contributed by each, and a complete statement of all expenditures authorized, incurred or made by them, or any member of said body to the date of such report. These reports shall be made by the chairman or secretary of the state or county executive committee, and by the chairman of all other organizations covered by this subsection, on the first Monday of each month following the first report preceding the election and shall be filed with the Secretary of State.

(2) The chairman or secretary of said committee shall certify as to the correctness of each report.

(3) Any contribution received by the committee less than six days before the election and any anonymous contribution shall not be used or expended in behalf of any candidate or political party and if not returned to the giver shall escheat to the state.

(4) No state or county executive committee, in the furtherance of any candidate or political party, directly or indirectly, shall give, pay or expend any money or give or pay anything of value or authorize any expenditure or become pecuniarily liable, except for the purpose provided in Section 15 provided, however, that the contribution of funds by one executive committee to another or to established party organizations for legitimate party or campaign purposes shall not be prohibited but all such contributions shall be recorded and accounted for in the reports of the contributor and recipient.

Section 2. (1) Each committee designated in Section 1 and each candidate for nomination for, or election to, a political office of the United States Congress, of the state or of any county, upon or before, and as a condition precedent to qualifying as such candidate, shall appoint on the date of public announcement of his candidacy or upon the date he qualified as a candidate, whichever is sooner, one campaign treasurer and shall designate one campaign depository and shall file the name and address of each with the officer before whom such candidate is required by this Act to qualify. The candidate may designate himself or any other elector to act as such campaign treasurer and may designate as his campaign depository any bank authorized by law to transact business in the state.

(2) Any campaign treasurer for any candidate or committee may appoint as many deputy treasurers as deemed necessary and may

designate not more than one depository in each county in which a campaign is conducted; provided, however, the campaign treasurer herein provided for shall be responsible for the accounts of all such deputy campaign treasurers; and provided further that the names and addresses of each deputy campaign treasurer and additional campaign depositories shall be filed with the officer before whom such candidate is required to qualify.

(3) Any candidate may remove a campaign treasurer or deputy campaign treasurer so appointed.

(4) In case of the death, resignation or removal of a campaign treasurer, the candidate shall forthwith appoint a successor and certify the appointment in the manner provided in the case of an original appointment.

(5) All campaign expenditures and contributions of every candidate, regardless of the amount he expends or is expended in his behalf, or he collects or is collected on his behalf, shall be reported as required by this Act.

Section 3. (1) No contribution or expenditure of money or other things of value, nor obligation therefor, including contributions, expenditures, loans or obligations of the candidate himself or of his family, shall be made, received, or incurred, directly or indirectly, in furtherance of the candidacy of any candidate for the United States Congress or for public or party office of the state or of any county, if elective from the entire county, except through the duly appointed campaign treasurer or deputy campaign treasurers of the candidate.

(2) Any contribution received by the campaign treasurer or deputy treasurer less than six days before the election, whether primary or final, shall be returned by him to the person contributing it and shall not be used or expended in behalf of the candidate or in furtherance of his candidacy.

Section 4. (1) All funds received in furtherance of the candidacy of any candidate shall, within twenty-four hours after receipts thereof, Sunday and holidays excepted, be deposited by the campaign treasurer or deputy campaign treasurers in a campaign depository of such candidate in an account designated "Campaign Fund of ___________ (name of candidate or committee)."

(2) Accompanying all deposits so made by the campaign treasurer or deputy campaign treasurers shall be a detailed statement showing the names and addresses of the persons contributing or providing the funds so deposited, together wtih a statement of the amount received from, or provided by, each person. Such statement shall be in triplicate upon a form prescribed by the Secretary of State, one copy to be retained by the campaign depository for its records, one copy to be filed by the depository as set forth in Section 8 and one

copy to be retained by the campaign treasurer for his records, which statements shall be certified as correct by the campaign treasurer.

Section 5. No candidate, campaign treasurer or deputy campaign treasurer shall authorize the incurring of any expense in behalf of the committee or candidate, or in furtherance or aid of such candidacy, unless there are moneys on deposit in the campaign depository to the credit of the account known as the campaign fund of the committee or candidate sufficient to pay the amount of the expenses so authorized together with all other expenses previously authorized. Any such expenditures, incurred or authorized on official campaign treasurer's reports thereof, in excess of such moneys on deposit shall be deemed to constitute a violation of this section.

Section 6. No expense shall be incurred in furtherance or aid of the committee or the candidacy of any person for election or nomination to political or party office, by the candidate or by any person, corporation or association unless prior to the incurring of the expense a written order shall be made in and upon the form prescribed, and signed by the campaign treasurer of the candidate authorizing the expenditure, and no money shall be withdrawn or paid by any campaign depository from any campaign fund account except upon the presentation of the written order, so signed, accompanied by the certificate of the person claiming the payment, which certificate shall state that the amount named in the order, or such part thereof as may be claimed, naming the amount claimed, is justly due and owing to the claimant, that the order truly states all of the purposes for which the indebtedness was incurred, and that no person other than the claimant is interested, directly or indirectly, in the payment of the claim, and unless an order for payment in and upon the form prescribed, and signed by the campaign treasurer or deputy treasurer, is presented to the campaign depository; provided that such authorization may be issued by the campaign treasurer to the candidate for traveling expenses still to be incurred. The order authorizing such expenditure, the certificate, and the order for payment shall be on the same piece of paper.

Section 7. (1) Each candidate shall report to his campaign treasurer on Friday of each week all expenditures made by such candidate for traveling expenses during the preceding seven days and each campaign treasurer shall make a full and complete report of all moneys, loans or other things of value contributed to him and to all deputy campaign treasurer of such candidate; the report shall contain the names and addresses of each of the contributors and the amount contributed by each, and a complete statement of all expenditures authorized, incurred, or made by him and by all deputy campaign treasurers, to the date of such report, and all expenditures by the candidate for traveling expenses made prior to the Friday next preceding the filing of such report. These reports shall be made at the following intervals by the campaign treasurers of the candidates between the date of the appointment of the campaign treasurer and the date of the election or elimination of the candidate:

(a) On the first Monday of each month preceding the election and on the sixth day before the election.

(b) Fifteen days after such primary or election in which the candidate participates.

(2) The campaign treasurer shall certify as to the correctness of each report and the candidate shall also bear the responsibility for the accuracy and veracity of each report.

(3) Such reports shall be filed with the Secretary of State not later than noon of the day designated above, and all such reports shall be open to public inspection. Duplicate copy, duly certified, shall be filed by candidates for county-wide party or public office at the same time with the county clerk of the county in which the candidate resides.

(4) A summary of this campaign statement must be prepared by the Secretary of State and mailed to all newspapers of general circulation in the committee's or candidate's constituency.

(5) Should any candidate be unopposed for nomination, for, or election to, any office after the time prescribed by law for qualifying for the nomination or election, then the obligation to file the above reports shall cease; however, such unopposed candidate may comply with provisions herein if he desires. A candidate who is opposed but who accepts and expends no money, shall so report on the dates specified in Section 7.

(6) It shall be lawful for any person to expend a sum which shall not in the aggregate exceed twenty-five ($25) for postage, or telegraph or telephone tolls, for costs of any correspondence, or any other lawful purpose out of his own funds to aid or defeat any candidate, where the sum is not to be repaid to him.

(7) It shall be lawful for any person to contribute his own personal services and personal traveling expenses to aid or defeat any candidate.

Section 8. Within fifteen days after each election in which a candidate participates, the designated campaign depository or depositories of each such committee or candidate shall file either the original or a true copy of all the deposit slips filed with the said depository by the campaign treasurer or deputy campaign treasurer, and the original or a true copy of all authorizations of the campaign treasurer or deputy campaign treasurers upon which funds were withdrawn from said depository. Such statement by such depository shall be filed with the Secretary of State, and, in the case of candidates for county-wide nomination or election for public or party office, also with the county clerk.

Section 9. No corporation whatsoever, and no unincorporated labor unions, church or other association organized for purposes other than the furtherance of political candidacies, shall pay or agree to pay or contribute or consent to contribute, directly or indirectly, any money, property or other thing of value to any political party, organization, committee or individual for any political puropse whatsoever, or for the purpose of influencing registration of any kind, or to promote or defeat the candidacy of any person for nomination, appointment or election to any political office.

Section 10. (1) No person shall give, furnish or contribute moneys, material, supplies, or make loans in support of a candidate for election or nomination, through or in the name of another, directly or indirectly, in any primary or general election. The solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, eleemosynary or other causes or organizations established primarily for the public good is expressly prohibited; provided that it shall not be construed as a violation of this section for a candidate to continue regular personal contributions to religious, civic or charitable groups of which he is a member or to which he has been a regular contributor for more than six months.

(2) No candidate or party executive committee, or person or organization on behalf of such candidates or committee, shall expend any moneys or give anything of value for advertising in any publication or newspaper not qualified for legal advertising as provided by law, unless the publication or newspaper has been published at least once per month for not less than a period of three years prior thereto, and has a circulation of at least one thousand; provided, further, that no such political advertising shall be done in any club or association bulletin, program, news sheet, magazine, pamphlet or handbill.

(3) No candidate for nomination or any committee, organization or persons on his behalf shall, prior to noon of the first filing date for the nomination which said candidate seeks, make any expenditures for campaign purposes or for the promotion of his candidacy other than for personal travel and incidental expenses, and all expenditures as defined in this section shall be reported as required by this section from the date of public announcement of his candidacy or from the date of filing of his qualification papers, whichever date shall occur first; provided that such candidate or committees or organizations shall be permitted to reserve but make no use of advertising time and space and office facilities prior to qualification.

Section 11. This law does not apply to candidates for municipal and other local offices of less than county-wide constituencies.

Section 12. Appropriate forms necessary to effectuate all of the purposes of this act, including but not limited to, the campaign treasurer's reports, the statements by the campaign depository and the deposit slips, shall be prescribed and provided by the Secretary of State.

Section 13. All advertisements, billboards, handbills, mailings and other communications intended to influence voters shall be signed with the words, "Paid for by" followed by the name and address of the treasurer and the name of the committee or candidate he is serving. All paid-for radio or television announcements shall likewise include a similar statement. Publishers and broadcasters who contract to give circulation to such paid announcements shall be subject to the penalties provided in Section 18.

Section 14. Prosecution for the violation of any of the provisions of this act may be commenced before, but not after, four years shall have elapsed from the date of the violation.

Section 15. (1) No person in the furtherance of his candidacy for nomination or election for public office in any election, shall himself, or by any other person, organization, association, or state or county executive committee, or on behalf of any other person, directly or indirectly, give, pay or expend any money or give or pay anything of value, or authorize any expenditure or become pecuniarily liable, except for the following purposes; (1) Fee for qualifying; (2) For his traveling expenses while campaigning or the legitimate traveling expenses of speakers in his behalf or of his campaign employees, or committee members; (3) Stenographic work; (4) Clerks at his campaign headquarters to address, prepare and mail campaign literature; (5) Telegrams; (6) Telephones; (7) Postage; (8) Freight; (9) Express; (10) Stationery; (11) List of electors; (12) Office rent; (13) Newspaper advertising; (14) Advertising on television; (15) Advertising on billboards, on banners and on streamers; (16) Printing; (17) Renting of halls in which to address the electors; (18) Public opinion surveys; (19) Motion pictures; (20) Buttons, badges and cards; (21) Radio time; (22) The renting or buying of public address equipment and the automotive equipment necessary to transport and operate it; (23) Compensation for campaign treasurer and/or campaign manager of the candidates at his main headquarters; (24) Compensation for poll watchers; (25) Hire of cars and drivers; (26) For renting, furnishing and maintaining offices, halls or buildings, including the cost of utilties; (27) For conveying infirm or disabled voters to and from the polls, for securing the registration of voters and for watching the polling and counting of votes cast; (28) For checking or canvassing the count of ballots, investigation prior to and after any actual or proposed declaration of an incorrect count of the ballots, and for any expense incurred for or incident to the recount of ballots; and (29) For necessary incidental expenses not included in the foregoing, which in the case of any one candidate shall not exceed one hundred dollars ($100) at a primary election and an additional one hundred dollars ($100) at any other election, and in the case of a committee shall not exceed, for each candidate which the committee engages in aiding, one hundred dollars ($100) at a primary election and an additional one hundred dollars ($100) at any other election. No candidate shall pay money or give anything of value for the privilege of speaking at a political meeting in the furtherance of his candidacy, nor shall anyone speaking for a candidate pay money or give anything of value for such privilege.

(2) The expenditure of any money or giving, paying or promising to give or pay any money or anything of value, directly or indirectly, by any candidate in furtherance of his candidacy for nomination in any election, except for the purposes authorized in this section is prohibited.

Section 16. Every contributor who contributes over twenty-five ($25) dollars to any candidate or to any party or campaign committee during the campaign shall be required to sign a contribution slip, for each such contribution, printed and furnished by the state to all campaign treasurers, which campaign slip shall state substantially that the contributor is a person not prohibited by law from contributing to a candidate or a party, and that the money contributed is his own money, and has not been given or furnished to him by any other person, firm or corporation. This slip shall be signed by the contributor and shall be filed with the reports of contributions by the campaign treasurers, with the Secretary of State, or other filing officials.

Section 17. The officers, with whom statements of campaign expenses are filed, shall securely keep the statements for at least four years, and a copy of the statements duly certified to by the officer with whom filed is admissible as evidence in any state court.

Section 18. (1) Any person who violates the provisions of this act shall be deemed guilty of a misdemeanor and subject to a fine of not more than five thousand dollars or to imprisonment for not more than six months. In addition thereto.

(2) The nomination or election to office of any person who violates the provisions of this act, or whose campaign treasurer or deputy campaign treasurer violates the provisions of this act, shall be void, and the nomination or office shall be filled as in other cases where a vacancy occurs.

(3) Any officer, employee, agent or attorney, or other representative of any corporation acting for and on behalf of such corporation, who shall violate Section 9 shall, upon conviction, be guilty of a misdemeanor.

(4) Any person who shall aid, abet or advise the violation of Section 9 shall be punished in like manner as the principal offender. Violations of Section 9 shall be prosecuted in the county where such payment or contribution is made.

(5) Any contributor who makes a false statement or affidavit in connection with the contribution made by him or her as provided in Section 16 shall be guilty of a misdemeanor and shall be punished by imprisonment not exceeding six months or by a fine not exceeding one thousand dollars, or both, in the discretion of the trial judge.

(6) Any person who gives or furnishes money to another for the purpose of making a political contribution in such other person's name shall be guilty of a misdemeanor and shall be punished in like fashion.

(7) Whoever shall make any false certificate, statement or report provided for in this act shall suffer the pains and penalties for perjury.

(8) Any chairman or secretary of any state or county executive committee who fails to file the report provided in this act, or shall violate the provisions thereof shall be subject to the process prescribed in subsection 9 below, and his office shall be filled as in other cases where a vacancy occurs.

(9) (a) Any elector having information of any violation of this act may file a petition in the circuit court of the county in which the person or persons violating this act resides. The petition shall be filed in duplicate, and the clerk of the court shall within three days after its filing send one of such duplicate copies to the Attorney General. The procedure in each such case after the filing of the petition shall be the same as is provided for in the prosecution and defense of an equity case.

(b) It shall be the duty of the office of the Attorney General upon his receipt of a copy of the petition to act as counsel for the state, and he shall file in the proceedings such pleadings as he determines ought to be filed.

(c) The final decree entered by the court in each case shall make a finding of fact that this act was or was not violated, as the case may be. If the decree of the court finds as a fact that this act was violated by any nominee or one elected to office, the Attorney General shall send a certified copy thereof to the officer responsible for issuing the certificate of nomination or election and upon receipt of such certified copy such officer shall immediately revoke the certificate of nomination or election as may have been issued, or in case such certificate has not been issued, he shall withhold the same.

(d) Appeals from any decree entered by the circuit court may be taken by either petitioner or the respondent in the same manner as other appeals are taken in equity cases, excepting that the notice of appeal shall be filed within ten days after the decree is entered.

Any such appeal shall have priority on the docket of the Court of Appeals and be heard and considered at such time as that court may direct. The Court of Appeals shall have the power to shorten the time in such cases for filing the transcript and briefs, and when it acts to shorten this time the clerk of the Court of Appeals shall mail copies of orders entered by the court to all interested parties or their counsel.

(e) Any vacancy in office or nomination on account of any such decree shall not be filled until the expiration of ten days from the date the decree is entered, or if an appeal is taken in time such vacancy shall not be filled until the appeal has been determined by the Court of Appeals and a final decree consequent upon such appeal is entered in the appropriate lower court.

(10) Any elector having information of any violation of this act punishable under Section 9 of this act may file complaint with the Secretary of State or County Clerk and it shall be the duty of such officer or clerk to investigate such complaints and refer any finding of fact indicating that a violation occurred to the Attorney General.

(11) Promptly after the final date for filing reports, the Secretary of State shall notify delinquents and the Attorney General of all delinquencies of candidates whose names have been printed on official ballots, and the list of such delinquents shall be a public record.

Section 19. Sections 123.050, 123.060, 123.070, 123.085, 123.090 of the Kentucky Revised Statutes are hereby repealed.

HB 109, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (3) of section 278.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 278.010 to 278.450, and in KRS 278.990, unless the context otherwise requires:

(3) "Utility" means any person, except a water district organized under KRS Chapter 74 or a city, who owns, controls, operates or manages any facility used or to be used for or in connection with:

(a) The generation, production, transmission or distribution of electricity to or for the public, for compensation, for lights, heat, power or other uses;

(b) The production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power or other uses;

(c) The transporting or conveying of gas, crude oil or other fluid substance by pipe line to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in the air or otherwise, of any message by telephone or telegraph for the public, for compensation;

(f) The transportation of persons or property by street, suburban or interurban railway for the public, for compensation;

(g) A sanitation district established pursuant to KRS Chapter 220 for the collection and disposal of sewage and other liquid wastes for the public, for compensation.

Rules Committee reported **SB 145** with the expression of opinion that same should pass by way of Committee Substitute. Committee Substitute for **SB 145** read at length for the first time and ordered placed in the Calendar.

Committee Substitute for **SB 145**, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 342.005 of the Kentucky Revised Statutes is amended to read as follows:

(1) This chapter shall apply to all employers having three or more employes regularly engaged in the same occupation or business, and to their employes, except that it shall not apply to domestic employment, agriculture, steam railways, or such common carriers other than steam railways for which a rule of liability is provided by the laws of the United States; provided, however, it shall apply to the operators of threshing machines used in threshing or hulling grain or seeds. It shall affect the liability of the employers subject thereto to their employes for a traumatic personal injury sustained by the employe by accident, and for disability resulting from occupational diseases as defined in this chapter, arising out of and in the course of his employment, or for death resulting from such accidental injury or occupational disease; provided, however, that "traumatic personal injury by accident" as herein defined shall not include diseases except where the disease is the natural and direct result of a traumatic injury by accident nor shall it include the results of a pre-existing disease, whether previously disabling or not, but shall include injury or death due to inhalation in mines of noxious gases or smoke, commonly known as "bad air," and also shall include injuries or death due to the inhalation of any kind of gas, and shall also include occupational disease as defined in this chapter.

(2) The board shall apportion the aggregate extent and duration of disability among the contributing causes including, but not limited to, the following:

(a) "Traumatic injury by accident."

(b) Pre-existing disease previously disabling.

(c) Pre-existing disease not previously disabling but aroused into disabling reality by the injury or occupational disease.

(3) The board shall, in every case, determine whether the provisions of KRS 342.120 are applicable, and if so the board shall proceed in accordance with the law and regulations established for processing claims involving the Subsequent Claim Fund.

(4) Any employers and employes who are, by the provisions of this section, excepted from the provisions of this chapter, including employers having less than three employes, may subject themselves thereto by joint voluntary application to the board, in writing, for such period as may be stated in the application, which shall be irrevocable during such period and effective thereafter until a written revocation be filed with the board or the employment be terminated.

Section 2. Section 342.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to all other compensation provided in this chapter, the employer shall furnish for the cure and relief from the effects of an injury or occupational disease, such medical, surgical and hospital treatment, including nursing, medical and surgical supplies and appliances, as may reasonably be required at the time of the injury and thereafter during disability, or as may be required for the cure and treatment of an occupational disease, but not exceeding a total expense to the employer of more than twenty-five hundred dollars. If the employer fails to furnish such treatment reasonably, he shall be liable for the reasonable expense, within the limits of this section, incurred by or on behalf of the employe in providing such treatments. In an emergency, the employe may call in any available physician or surgeon to administer any first aid reasonably necessary at the expense of the employer within the limits of this section. The board, in its discretion, may apportion payments to be made under this section between hospitals and physicians in cases where their aggregate fees and charges would not exceed the maximum for which the employer is liable.

(2) However, further medical, surgical and hospital treatment, not to exceed an additional one thousand dollars, may be ordered by the board upon application and sufficient showing of justifiable need therefor.

(3) Where a compensable injury or occupational disease results in the amputation of an arm, hand, leg or foot, or the loss of hearing, or the enucleation of an eye or the loss of teeth, the employer shall initially furnish in addition to other medical, surgical and hospital treatment enumerated in subsections (1) and (2) of this section, a modern artificial member, and where required, proper braces, but the

employer's liability for such artificial member or braces shall not including his liability for medical, surgical and hospital treatment exceed twenty-five hundred dollars.

Section 3. Section 342.070 of the Kentucky Revised Statutes is amended to read as follows:

If death should result within two years from an accident for which compensation is payable under this chapter, or from an occupational disease, the employer or his insurer shall pay to the person entitled to compensation, or, if none, then to the personal representative of the deceased employe, reasonable burial expenses of a person of the standard of living of the deceased, not to exceed the sum of five hundred dollars, and shall also pay to or for the following persons compensation as follows:

(1) If there are one or more wholly dependent persons, sixty-five percent of the average weekly earnings of the deceased employ, but not to exceed thirty-four dollars nor less than sixteen dollars per week shall be payable, all such payments to be made for the period between the date of death and four hundred weeks after the date of accident to the employe or after the date his disability from an occupational disease began, or until the intervening termination of dependency, but in no case to exceed the maximum sum of thirteen thousand six hundred dollars.

(2) (a) If there are partly dependent persons, the payments shall be such part of what would be payable for total dependency as the partial dependency existing at the time of the accident or after the date his disability from an occupational disease began to the employe is proportionate to total dependency, and all such payments to be made for the period between the date of death and four hundred weeks after the date of the accident to the deceased employe, or after the date his disability from an occupational disease began, or until the intervening termination of dependency, but in no case to exceed in the aggregate of compensation on account of such death the maximum sum of thirteen thousand six hundred dollars.

(b) Partial dependency shall be determined by the proportion of the earnings of the employe which have been contributed to such partial dependent during one year next preceding the date of injury or after the date his disability from an occupational disease began; if the relation of partial dependency did not exist for one year next preceding the date of injury, the board shall consider all the facts and circumstances and fix such proportion as is fair and reasonable thereunder.

(3) All relations of dependency referred to in this section shall mean dependency existing at the time of the accident to the employe or at the time his disability from an occupational disease began.

(4) If death occurs as a result of the injury or an occupational

disease after a period of total or partial disability, the period of disability shall be deducted from the total period of compensation and the benefits paid thereunder from the maximum allowed for death by this section.

Section 4. Section 342.095 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the injury or occupational disease causes total disability for work, the employer, during such disability, except for the first seven days thereof, shall pay the employe a weekly compensation equal to sixty-five percent of his average weekly earnings, not to exceed thirty-six dollars nor less than sixteen dollars per week, such payments to be made during the period of total disability but not longer than four hundred twenty-five weeks after the date of the injury, or after the date his disability from an occupational disease began, nor in any case to exceed a maximum sum of fifteen thousand three hundred dollars. If the period of total disability begins after a period of partial disability, the period of partial disability shall be deducted from the total period of four hundred twenty-five weeks during which compensation for total disability may be payable, and the payments made on account of such partial disability shall be deducted from the maximum of fifteen thousand three hundred dollars.

(2) In case of the following injuries or disabilities from occupational disease the disability shall be considered total and permanent:

(a) The total permanent loss of sight in both eyes.

(b) The loss of both feet at or above the ankle.

(c) The loss of both hands at or above the wrist.

(d) A similar loss of one hand and one foot.

(e) A similar loss of one hand and one eye.

(f) A similar loss of one foot and one eye.

(g) A disability to the spine, resulting in permanent and complete paralysis of both arms or both legs, or of one arm and one leg.

(h) A disability to the skull resulting in incurable insanity or imbecility.

(3) The enumeration in subsection (2) is not exclusive, but in all other cases the burden of proof shall be on the claimant to prove that his injuries or disability resulting from an occupational disease have resulted in permanent total disability.

(4) Compensation for an injury or disability to a member shall not exceed the amount allowable for the loss of such member unless the effects of the injury or disability extends beyond the member to the body as a whole so that it destroys a workman's general ability to labor or precludes him from obtaining the kind of work he is customarily able to do.

Section 5. Section 342.100 of the Kentucky Revised Statutes is amended to read as follows:

In case of an injury or disability from an occupational disease resulting in temporary partial disability, the employe shall receive during such disability, except the first seven days thereof, a weekly compensation equal to sixty-five percent of the difference between his average weekly earnings before the injury or disability from an occupational disease and the average weekly earnings that he earns, or is able to earn, in some suitable employment during such disability, not to exceed four hundred weeks from the date of injury, or from the date his disability from an occupational disease began, nor exceeding the sum of thirty-one dollars per week nor the maximum sum of twelve thousand four hundred dollars. If partial disability follows a period of total disability, the period of total disability shall be deducted from the maximum period allowed for partial disability.

Section 6. Section 342.105 of the Kentucky Revised Statutes is amended to read as follows:

For injuries or disabilities from an occupational disease enumerated in the following schedule the employe shall receive, in addition to temporary total disability compensation for the period of actual total disability, not exceeding twenty weeks, a weekly compensation equal to sixty-five percent of his average weekly earnings, but not less than sixteen dollars per week nor exceeding thirty dollars per week for the periods stated thereon:

(1) For the loss of a thumb, sixty-five percent of the average weekly wages during sixty weeks.

(2) For the loss of a first finger, commonly called the index finger, sixty-five percent of the average weekly wages during forty-five weeks.

(3) For the loss of a second finger, sixty-five percent of the average weekly wages during thirty weeks.

(4) For the loss of a third finger, sixty-five percent of the average weekly wages during twenty weeks.

(5) For the loss of a fourth finger, commonly known as the little finger, sixty-five percent of the average weekly wages during fifteen weeks.

(6) The loss of the second, or distal phalange, of the thumb shall be considered to be equal to the loss of one-half of the thumb, the loss of more than one-half of the thumb shall be considered equal to the loss of the whole thumb.

(7) The loss of the third, or distal phalange of any finger shall be considered to be equal to the loss of one-third of the finger.

(8) The loss of the middle, or second phalange, of any finger shall be considered equal to the loss of two-thirds of the finger.

(9) The loss of more than the middle and distal phalanges of any finger shall be considered equal to the loss of the whole finger, but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

(10) For the loss of a metacarpal bone (bone of the palm) for the corresponding thumb, finger or fingers above add ten weeks to the number of weeks as above.

(11) For ankylosis (total stiffness of) or contractuers (due to sears or injuries) which makes the fingers useless, the same number of weeks apply to such finger or fingers (including thumb) as given above.

(12) For the loss of a hand, sixty-five percent of the average weekly wages during one hundred fifty weeks.

(13) For the loss of an arm, sixty-five percent of the average weekly wages during two hundred weeks.

(14) For the loss of one of the toes, other than the great toe, sixty-five percent of the average weekly wages during ten weeks.

(15) For the loss of the great toe, sixty-five percent of the average weekly wages during thirty weeks.

(16) The loss of more than two-thirds of any toe shall be considered to be equal to the loss of the whole toe.

(17) The loss of less than two-thirds of any toe shall be considered to be equal to the loss of one-half toe.

(18) For the loss of a foot, sixty-five percent of the average weekly wages during one hundred twenty-five weeks.

(19) For the loss of a leg, sixty-five percent of the average weekly wages during two hundred weeks.

(20) For the total and permanent loss of the sight of an eye, sixty-five percent of the average weekly wages during one hundred weeks, plus an additional twenty weeks in cases where the eyeball is enucleated.

(21) For the total and permanent loss of hearing in one ear, sixty-five percent of the average weekly wages during seventy-five weeks.

Section 7. Section 342.110 of the Kentucky Revised Statutes is amended to read as follows:

In all other cases of permanent partial disability, including any disfigurement which will impair the future usefulness or occupational opportunities of the injured employe, or employe disabled by an occupational disease, compensation shall be determined according to the percentage of disability, taking into account, among other things, any previous disability, the nature of the physical injury or disfigurement, the occupation of the injured employe and age at the time of injury or at the time the disability from an occupational disease began.

Compensation for an injury or disability to a member shall not exceed the amount allowable for the loss of such member unless the effects of the injury or disability extends beyond the member to the body as a whole so that it adversely affects a workman's general ability to labor, or limits his occupational opportunities to obtain the kind of work he is customarily able to do.

The compensation paid therefor shall be sixty-five percent of the average weekly earnings of the employe but not less than sixteen dollars nor more than thirty-one dollars, multiplied by the percentage of disability caused by the injury or occupational disease, for such period as the board determines, not exceeding four hundred weeks nor a maximum sum of twelve thousand four hundred dollars. Compensation payable under this section shall be affected by the earnings of the employe after the accident, or after his disability from an occupational disease, whether they be the same, or greater, or less than prior to the accident or disability from an occupational disease. Whenever the weekly payments under this section would be less than sixteen dollars per week, the period may be shortened and the payments correspondingly increased to that amount. Where compensation, except as provided in KRS 342.020 and 342.030, is paid under any other provision of this chapter, the period during which such other compensation is paid shall be deducted from the maximum period which may be paid under this section.

Section 8. Section 342.111 of the Kentucky Revised Statutes is amended to read as follows:

(1) When an employe, who has been awarded disability compensation by the Workmen's Compensation Board, shall die as a result of such injury or occupational disease prior to the payment to him of the amount of the award, then the dependents of the deceased employe shall be allowed and paid all allowed and unpaid awards made to such employe. Provided, however, that the dependents of such deceased employe shall, within one year after the death of such employe, file with the Workmen's Compensation Board, in such form as the board may require, a written verified application, stating therein the date of the death of such deceased employe; the amount of such allowed and uncollected award; the name, age, postoffice address, and the relation of each of said dependents to the deceased. Thereupon the Workmen's Compensation Board shall notify in writing the company, person or insurance carrier against whom such award was made; and shall fix a time and place for a hearing of which notice shall be given, to determine the dependency of those making such claim; and shall make an award or order for the benefit of those found to be entitled thereto. Provided, however, that the number of weekly payments to be paid to the dependents shall be the number of weeks remaining after deducting the number of weekly payments made to the decedent from the number of weeks allowed in the original award.

(2) The total amount paid and payable to the decedent and his dependents shall not exceed the amount now payable for death at the average weekly wage of the decedent at the time of his injury, and the weekly payments to the dependents shall not exceed the sum provided in KRS 342.070.

Section 9. Section 342.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) A claimant may in the original application for benefits, or either party may by motion while the case is pending, accompanied by proper allegations, and the board shall upon its own motion at any time before the rendition of the final award, cause the Subsequent Claim Fund to be made a party to the proceedings if either or both of the following appears:

(a) The employe is disabled, whether from a compensable injury, occupational disease, pre-existing disease, or otherwise, and has received a subsequent compensable injury by accident, or has developed an occupational disease.

(b) The employe is found to have a dormant non-disabling disease condition which was aroused or brought into disabling reality by reason of a subsequent compensable injury by accident or an occupational disease.

(2) When the Subsequent Claim Fund has been made a party the board shall direct the procedures provided in KRS 342.121.

(3) If it is found that the employe is a person mentioned in sub-section (1) (a) or (b) and a subsequent compensable injury or occupational disease has resulted in additional permanent disability so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, the employer shall be liable only for the degree of disability which would have resulted from the latter injury or occupational disease had there been no pre-existing disability or dormant, but aroused diseased condition.

(4) The remaining compensation for which such resulting condition would entitle the employe, including any compensation for disability resulting from a dormant disease aroused into disabling reality by the injury or occupational disease, but excluding all compensation which the provisions of this chapter would have afforded on account of prior disabling disease had it been compensated thereunder, shall be paid out of the Subsequent Claim Fund provided for in subsection (1) of KRS 342.122.

(5) Upon motion, with notice to the Commissioner of Industrial Relations, and it appearing to the Board that a claimant who has been awarded compensation under any one of the several provisions of this

chapter becomes re-employed by the employer against whom the award was made, or continues in his employment in which he was injured, any part of the award not paid at the time the claimant becomes re-employed shall be paid out of the Subsequent Claim Fund; or, if the claimant has continued in his employment then the whole award shall be paid from the Subsequent Claim Fund. Said unpaid portion of the award shall be awarded against the Subsequent Claim Fund and paid by the Commissioner of Industrial Relations as are all other Subsequent Claim awards.

Section 10. Section 342.121 of the Kentucky Revised Statutes is amended to read as follows:

(1) If on a claim for compensation for disability resulting from a subsequent injury by accident or occupational disease any medical question shall be in controversy, or a determination thereof necessary to the proper apportionment of liability therefor, the board shall refer the case to a physician appointed by it for the purpose of investigating and reporting to the board on the medical questions involved. The physician shall make his report to the Workmen's Compensation Board in writing with respect to all medical questions at issue or necessary to the apportionment of disability between the subsequent injury and the prior existing disability at the time of employment. The report shall show the date of prior disablement or latent, nondisabling disease, which, if in the dispute, shall be deemed a medical question.

(2) The physican appointed as provided in subsection (1) of this section shall be allowed necessary traveling expenses and reasonable fees, to be fixed by the board to each physician for making such examination and report, plus a reasonable allowance for expenses incurred in making such examination. The board may also allow traveling expenses to the employe. Such fees and expenses so approved by the board shall be paid out of the Subsequent Claim Fund in cases for subsequent injuries or occupational diseases.

(3) The physician shall, as soon as practicable after he has completed his consideration of the case, but not later than fifteen days after the examination of the employe report in writing his findings on every medical question in controversy. The physician shall also include in his report a statement indicating the physician or physicians, if any, who appeared before them, and what, if any, medical reports and X-rays were considered by them.

(4) The decision or award in the case shall conform to the findings and conclusions in such report in so far as restricted to medical questions; provided, however, that any such findings and conclusions may be set aside, reversed or modified, by the board's award or decision, in case an application for review is made to the board within ten days after the report is filed with the board and the interested parties notified, subject, however, to the following special provisions;

no such findings of the physician shall be subject to review unless specific objections thereto shall be filed with the board by a party in interest within the time limited in which to apply for review of such report.

(5) The provisions of this section shall apply only to persons mentioned in KRS 342.120.

Section 11. Section 342.122 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the taxes and assessments imposed by KRS 342.450 and 342.475, a Subsequent Claim Fund Tax at the rate of three-fourths of one percent of the amount of premiums received shall be paid by every insurance carrier as defined in KRS 342.445, subject to the credits therein set out, and the board shall assess against the payrolls of every employer carrying his own risk a Subsequent Claim Fund Tax computed by taking three-fourths of one percent of the effective premiums determined as provided in KRS 342.475. The provisions of KRS 342.450, 342.455, 342.460, 342.465 and 342.470 shall, so far as applicable, also apply to the levy and collection of such additional tax of three-fourths of one percent of such premiums of insurance carriers.

(2) All taxes and assessments imposed by subsection (1) of this section shall be paid into the State Treasury and shall be credited to the Subsequent Claim Fund for the board, which fund shall be used only for the payment of awards of compensation made by the board and chargeable against said fund, expenses of legal representation thereof, fees and expenses of the Medical Committee in connection therewith, and shall be withdrawn for that purpose under the supervision of the Commissioner of Industrial Relations.

(3) Any sum remaining in the Subsequent Claim Fund to the credit of the Workmen's Compensation Board at the end of any fiscal year shall be set up by the Department of Finance to the credit of the Board in such fund for the next ensuing fiscal year,

(4) If the amount to the credit of the Subsequent Claim Fund as of June 30 of any year exceeds $200,000, the tax of three-fourths of one percent upon insurance premiums provided for under subsection (1) of this section and the three-fourths of one percent assessment upon employers carrying their own risk provided for under subsection (1) of this section shall not be assessed or collected during the ensuing year.

(5) The fund heretofore designated as the Subsequent Injury Fund is abolished and there is substituted therefor the Subsequent Claim Fund as herein set out and all monies and properties owned by the Subsequent Injury Fund are transferred to the Subsequent Claim Fund.

Section 12. Section 342.125 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon its own motion or upon the application of any party interested and a showing of change of conditions, mistake or fraud, the board may at any time review any award or order, ending, diminishing or increasing the compensation previously awarded, within the maximum and minimum provided in this chapter, or change or revoke its previous order, sending immediately to the parties a copy of its subsequent order or award. Review under this section shall be had upon notice to the parties interested and shall not affect the previous order or award as to any sums already paid thereunder.

(2) Where an agreement has become an award by approval of the Board, and a review of such an award is initiated, no statement contained in the agreement, whether as to jurisdiction, liability of the employer, nature and extent of disability, or as to any other matter, shall be considered by the board as an admission against the interests of any party. The parties may raise any issue upon review of this type of award which could have been considered upon an original application for benefits.

Section 13. Section 342.185 of the Kentucky Revised Statutes is amended to read as follows:

No proceeding under this chapter for compensation for an injury or death shall be maintained unless a notice of the accident shall have been given to the employer as soon as practicable after the happening thereof and unless a claim for compensation with respect to such injury shall have been made within one year after the date of the accident, or in case of death, within one year after such death, whether or not a claim has been made by the employe himself for compensation. Such notice and such claim may be given or made by any person claiming to be entitled to compensation or by some one in his behalf. If payments of compensation as such have been made voluntarily the making of a claim within such period shall not be required, but shall become requisite following the suspension of such voluntary payments.

Section 14. Section 342.265 of the Kentucky Revised Statutes is amended to read as follows:

If the employe and employer reach an agreement conforming to the provisions of this chapter in regard to compensation, a memorandum of the agreement shall be filed with the board, and, if approved by it, shall be enforceable as is herein provided for the enforcement of awards by the board. Nothing herein shall prevent the voluntary payment of compensation in the amounts and for the periods prescribed in this chapter without formal agreement, but nothing shall operate as a final settlement except a memorandum of agreement filed with and approved by the board in accordance with this section. No limitations of time shall begin to run until the date upon which such agreement is filed with and approved by the board.

Section 15. Section 342.285 of the Kentucky Revised Statutes is amended to read as follows:

(1) An award or order of the board as provided in KRS 342.275, if application for review is not filed as provided for in KRS 342.280, shall be conclusive and binding as to all questions of fact, but either party may, within twenty days after the rendition of such final award or order of the board, by petition appeal to the circuit court that would have jurisdiction to try an action for damages for the injuries if this chapter did not exist, for the review of such order or award, the board and the adverse party being made respondents.

(2) The petition shall state fully the grounds upon which a review is sought, and assign all errors relied on. Summons shall issue upon the petition directing the adverse party to file answer within fifteen days after service thereof and directing the board to send its entire original record, properly bound, to the clerk of the circuit court, after certifying that such record is its entire original record, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review.

(3) No new or additional evidence may be introduced in the circuit court except as to the fraud or misconduct of some person engaged in the administration of this chapter and affecting the order, ruling or award, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order, decision, or award was procured by fraud;

(c) The order, decision, or award is not in conformity to the provisions of this chapter; and

(d) If findings of fact are in issue, whether such findings of fact support the order, decision or award.

(4) The board and each party may appear in such review proceedings; the court shall enter judgment affirming, modifying or setting aside the order, decision or award, or in its discretion remanding the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

Section 16. Section 342.316 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Occupational Disease" as used in this chapter means a disease arising out of and in the course of the employment. Ordinary diseases of life to which the general public is equally exposed outside of the employment shall not be compensable, except where such diseases

follow as an incident of an occupational disease as defined in this section.

(a) A disease shall be deemed to arise out of the employment only if there is apparent to the rational mind, upon consideration of all the circumstances, a direct causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause, and which does not come from a hazard to which workmen would have been equally exposed outside of the employment. The disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. The disease need not have been foreseen or expected but, after its contraction, it must appear to have had its origin in a risk connected with the employment and to have flowed from that source as a rational consequence.

(b) "Injurious exposure" as used in this section shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(2) The procedure with respect to the giving of notice of disability or death and as to the filing of claims and determination thereof in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of disability shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, whichever shall first occur.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the Workmen's Compensation Board within one year after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the Workmen's Compensation Board within one year after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or, if the incurrence of the

disease or the death of the employe, and its cause was known to the employer.

(4) In claims for compensation due to the occupational disease of silicosis it must be shown that the employe was exposed to the hazards of the disease in his employment within this state for at least two years immediately next before his disability or death.

(5) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury or death under the general provisions of the Workmen's Compensation Act, but in no event to exceed such amounts, and, provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within ten years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the Workmen's Compensation Act and in this section.

(6) In case of disability or death from silicosis, an occupational disease, complicated with tuberculosis of the lungs, compensation shall be payable as for uncomplicated silicosis, provided, however, that silicosis was an essential factor in causing such disability or death.

(7) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative and a representative of the deceased employ shall have participated therein or been given reasonable opportunity to do so.

(8) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(9) Where an occupational disease is aggravated by other disease or infirmity not itself compensable, or where disability or death from any other cause, not itself compensable is aggravated, prolonged, accelerated or in anywise contributed to by occupational disease the compensation payable shall be reduced and limited to such pro-

portion only of the compensation that would be payable if occupational disease were the sole cause of the disability or death as such occupational disease, as a causative factor, bears to all causes of such disability or death, such reduction in compensation to be affected by reducing the number of weekly or monthly payments or the amount of such payments as under the circumstances of the particular case may be for the best interests of the claimant or claimants.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the board when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier.

Section 17. Section 342.475 of the Kentucky Revised Statutes is amended to read as follows:

Every employer carrying his own risk under KRS 342.340 shall, under oath, report to the board his payroll subject to this chapter. Such report shall be made in form prescribed by the board and at the time provided for premium reports by insurer. The board shall assess against such payroll a maintenance fund tax computed by taking two percent of the effective premiums chargeable against it or most similar industry or business.

Section 18. Section 342.485 of the Kentucky Revised Statutes is amended to read as follows:

If the total net surplus to the credit of the maintenance fund on June 30th of any year exceeds $200,000.00 neither the tax provided for under KRS 342.475 nor the tax provided for under KRS 342.450 shall be collected.

Section 19. Section 342.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any employer subject to this chapter who refuses or willfully neglects to make the report required by KRS 342.330 shall be fined not more than twenty-five dollars for each offense.

(2) Any person who violates KRS 342.335 shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not less than ten nor more than ninety days.

(3) Any person who violates subsection (2) of KRS 342.400 shall be fined not less than fifty dollars nor more than two hundred dollars or imprisoned for not less than ten nor more than ninety days.

(4) Any employer who violates KRS 342.420 shall be fined not more than one hundred dollars for each offense.

(5) Any person who violates any of the provisions of KRS 342.445 to 342.475 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned for not less than ten nor more than ninety days, or both.

(6) Any employer who shall willfully violate any provision of KRS 342.016 or 342.017 shall be guilty of a misdemeanor and upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, and each day's operation in violation of KRS 342.016 and 342.017 shall constitute a separate offense, and such employer shall be enjoined from continuing such violations at the suit of the Attorney General in an action instituted by him in the Franklin Circuit Court, on which jurisdiction to try such action is hereby conferred.

(7) Any person who violates the provisions of subsection (1) of KRS 342.265 shall be fined not less than one hundred dollars nor more than five hundred dollars.

Rules Committee reported **HB 162, HB 273, SB 206, SB 214, SB 168** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 162, AN ACT relating to the terms of court in the Nineteenth Judicial District.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The preamble and subsection (19) of section 23.050 of the Kentucky Revised Statutes is amended to read as follows:

The regular term of each court shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

(19) (a) Nineteenth District: Bracken County, at Brooksville, on the first Monday in March, the first Monday in July, and the first Monday in November, eighteen juridical days each;

(b) Fleming County, at Flemingsburg, on the first Monday in February, the first Monday in June, and the first Monday in October, eighteen juridical days each;

(c) Mason County, at Maysville, on the first Monday in January, the first Monday in May, and the first Monday in September, twenty-four juridical days each.

Section 2. WHEREAS, the next term of Court in Mason County commences on the fourth Monday in March, an emergency is declared to exist and this Act shall become effective May 1, 1960.

HB 273, AN ACT creating the Kentucky Public School Authority; constituting the same an independent corporate agency and instrumentality of the Commonwealth for the purpose of assisting boards of education of county and independent school districts in the financing of school projects upon request of such boards; designating membership; defining powers; establishing procedures; providing for cooperation of the Department of Education; declaring bonds of the Authority to be eligible investments for all purposes; and prescribing the manner of advertising public sales of bonds of the Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There shall be an agency and instrumentality of the Commonwealth for the purpose of assisting the boards of education of any county or independent school districts, upon request of such boards, in the financing of public school building projects and undertakings; and the same is hereby created and established as a public corporation under the name Kentucky Public School Authority, with perpetual succession, and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise the usual powers of private corporations except as expressly limited in this Act.

Section 2. *Definitions.* As used in this Act, the following terms and words have the following respective meanings, unless another meaning is clearly indicated by the context:

(a) "Authority" means the Kentucky Public School Authority established by this Act.

(b) "Department" means the State Department of Education.

(c) "Superintendent" means the Superintendent of Public Instruction.

(d) "board of education" means the governing body of a county school district, or of an independent school district, for which the Authority issues its revenue bonds pursuant to this Act.

(e) "Project" means any undertaking to provide for a board of education any school buildings, facilities, improvements, and appurtenances and may include not only such as are authorized in KRS 162.120 to 162.300, but also those for any purpose enumerated in KRS 160.477 (1) (a).

(f) "lease" or "lease instrument" means a written instrument for the leasing of one or more school Projects executed by the Authority as lessor and a board of education as lessee, conforming to the specifications set forth in KRS 162.140.

(g) "bonds" or "bonds of the Authority" means bonds issued by the Authority under this Act, payable as to principal and interest solely from rentals received from a board of education pursuant to a lease.

Section 3. (a) The Authority shall be composed of the Superintendent, three staff members or employees of the Department, and the Assistant Attorney General assigned to the Department of Education. The membership shall initially be composed of the Superintendent, the Assistant Superintendent for Business Administration, the Attorney General or his designated assistant, the Director of the Division of Finance, the Director of the Division of Buildings and Grounds, as constituted on the effective date of this Act, and their successors in such offices or positions;

(b) In the event of reorganization of the Department in such manner that the positions of any or all of the four members other than the Superintendent shall cease to exist under the titles herein recited, the succession as to the then incumbent in each position so ceasing to exist shall devolve upon a staff member or employe of the Department performing one or more of the same or similar functions, as designated by order of the Superintendent, made in writing, concurred in by the Commissioner of Finance and authorized by the Governor as provided in KRS 12.030, and filed with the Secretary of the Authority. Until the effective date of any such designation, the incumbent may, unless otherwise specifically ordered in a writing signed by the Superintendent and filed in the office of the Secretary of the Authority, continue to serve as a member of the Authority in all respects as if such reorganization had not been initiated. If any of the officers of the Authority whose signatures or facsimilies thereof, appear on any bonds of the Authority, or on any interest coupons appurtenant thereto, or on any other instruments or documents pertaining to the functions of the Authority, shall cease to be such officers before delivery of the bonds, or before the effective date or occasion of such instruments or documents, the signatures, and facsimilies thereof, shall nevertheless be valid for all purposes the same as if the officers had remained in office until such delivery or effective date or occasion.

(c) Any three members of the Authority shall constitute a quorum for the transaction of business at any meeting convened as hereinafter set forth. The Superintendent shall be the Chairman. The Authority shall elect from its membership a vice chairman; and shall elect a Secretary, and an Assistant Secretary, a Treasurer, and an Assistant Treasurer, each of whom may be a member of the Authority or an employe of the Department, or a person otherwise employed for such position. The duties of such officers shall be as the Authority may prescribe.

(d) The members and officers of the Authority shall receive no compensation for their services, except that the Secretary, Assistant Secretary, Treasurer and Assistant Treasurer, or any of them, if employed by the Authority otherwise than from among the employes of the Department, shall receive such compensation as may be fixed from time to time by the Authority, the same to be paid from the budgeted funds of the Department.

(e) The Authority shall maintain an office and shall at all times keep therein a complete official record of its actions and proceedings. Office accommodations, including secretarial and telephone service, shall be provided to the Authority by the Department, and the expense thereof shall be paid by the Department from its budgeted funds.

(f) Each change in the membership of the Authority, whether by succession in an existing position, or as provided in subsection (b), shall be entered by the Superintendent in a Register of Membership which shall at all times be maintained in the office of the Authority as an official record subject to public inspection. Any actions and proceedings of the Authority, appearing from its records to have been had or taken by the person or persons shown by the Register of Membership to have been the proper person or persons at the time of such action or proceedings, shall be the regular and official actions or proceedings of the Authority, and shall be binding upon the Authority. The Secretary or Assistant Secretary shall, upon request, issue a certificate under the seal of the Authority showing the members and officers of the Authority as of any specified date; and any persons may accept and rely thereon.

(g) The Authority may prescribe and change from time to time reasonable administrative rules for the furnishing of certified copies of any official records of its actions and proceedings; and may prescribe reasonable fees therefor not to exceed 10 per cent above the costs and expenses of making authenticating the same as determined or estimated by the Authority; and all such fees shall be paid into a revolving fund for the continuation of such service on a basis as self-sustaining as possible.

(h) The Authority may adopt rules and regulations for the conducting of its business and affairs, subject to the provisions of KRS Chapter 13.

(i) The Authority may adopt by-laws relating to its organization and internal management, and may alter the same at will. Through its by-laws, or by resolution, it shall establish stated times and places for regular meetings; and may adjourn the same from time to time. Special meetings may be convened upon written or oral call of the Chairman, Vice-Chairman, or Secretary, upon reasonable notice; and any absent member may waive notice orally or in writing either before, at, or after any special meeting, as may be noted in the minutes. If a quorum be present at any special meeting, and it shall appear from the minutes that reasonable notice was given to absent members, or waived by them, or the minutes subsequently consented to by them, any business transacted or action taken thereat shall be as fully regular and official as if transacted or taken at a regular meeting or an adjournment thereof.

Section 4. Upon receiving a request in writing from a board of education, the Authority may, in its discretion, assist such board of education in financing any Project by acting in the capacity and manner authorized to be performed by cities under KRS 162.120 to 162.290, and by counties under KRS 162.300. When applied to the Authority, KRS 162.120 to 162.300 shall be so read that the following terms and passages have the following respective meanings or interpretations:

(a) "City" or "County" means "Authority."

(b) "City Clerk" or "County Clerk" means "Secretary or Assistant Secretary of the Authority."

(c) "Governing body of the City" or "Fiscal Court" means "Authority."

(d) "Mayor or Chairman of the board of trustees" or "County Judge" means "Chairman or Vice-Chairman of the Authority."

(e) "Ordinance" in the case of a city, or "Resolution" in the case of a county, means a resolution of the Authority.

(f) "Building and appurtenances" means "Project" as defined in Section 2(e) of this Act.

(g) The last sentence of KRS 162.190 shall read, "It shall be plainly stated on the face of each bond that it was or is issued under the provisions of this Act (omitting reference to KRS 162.150 to 162.280 as such), and that it does not constitute an indebtedness of the Authority or of the Commonwealth."

(h) KRS 162.200 is modified to permit use of money received from bonds for the additional purpose of paying reasonable expenses incurred in the authorization, advertising, preparation, sale and delivery of bonds, and may include a fee contracted to be paid to a fiscal agent for financial advice and services if the contract or agreement therefor shall have been approved by the Board of Education and by the Authority.

(i) As used in KRS 162.140, "lease" shall have the meaning defined in Section 2(f) of this Act, and the same shall be recorded or filed for recording in the office of the Clerk of the County Court of the County in which the Project is situated, as evidenced by a written receipt or acknowledgment of filing issued by such clerk, or by a copy of the lease attested or certified by such clerk as being of record in his office. It shall be the duty of the secretary of the Authority to obtain such evidence before delivery of the bonds to a purchaser thereof; but failure to obtain the same shall not affect the validity of the bonds in the hands of any purchaser or holder.

(j) KRS 162.240 shall not apply; and the following provisions shall govern in lieu thereof:

"One or more depositories and paying agents may be selected and designated by the board of education, subject to the approval of the Authority, which approval shall not unreasonably be withheld; but each depository and paying agent shall be a financial institution, within or without the Commonwealth, which is a member of Federal Deposit Insurance Corporation. All deposits of sinking funds and of bond proceeds shall continuously be secured by a pledge to the Authority of direct obligations of the United States, exclusive of accrued interest, at all times at least equal to the balance on deposit in the fund or account, such securities to be deposited with the Authority or held by a trustee or agent designated by the Authority; provided, however, in lieu of requiring such security the Authority may in its descretion invest, or cause to be invested and reinvested, any moneys in direct obligations of the United States until such time as cash funds may be needed, and the Authority may prescribe for the custody and safekeeping of such securities. When cash funds are needed, the Authority shall direct the conversion into cash of such securities, or a sufficient portion thereof, and may require that the same be secured until disbursement, as herein provided. All income from such securities shall accrue to the board of education, but may be retained by the Authority and credited upon any rental obligation of the board of education under the lease, or applied to supplement bond proceeds if the same should for any reason turn out to be insufficient to defray the costs and expenses of the Project."

Section 5. Moneys received by the Authority as rentals under any lease, and from the sale of bonds, are declared not to be funds of the

Commonwealth but shall be corporate funds of the Authority to be held, administered, invested and disbursed as trust funds under the terms, provisions, pledges, covenants, and agreements set forth in its leases and bond resolutions and bonds.

Section 6. Officers, employes and agents of the Authority having custody of money shall at all times be bonded to the maximum amount reasonably anticipated to be held at any one time; and each bond shall have good corporate surety, provided by a surety company authorized to do business in the Commonwealth, to be approved in each instance by the Authority. Premiums for such surety shall be paid from the budgeted funds of the Department.

Section 7. The Authority shall at all times keep and maintain books of record and account reflecting accurately all its financial transactions, and the same shall be open to public inspection at all reasonable times. The books of record and account shall be audited annually by the auditing staff of the Department, and a copy of the audit report shall be filed with the Commissioner of Finance. With the approval of the Governor, the Commissioner of Finance may direct that the financial affairs of the Authority be audited by independent certified public accountants, and costs thereof shall be paid from the State Treasury. The Authority shall annually submit to the Governor a written report of its activities; and a copy of each report shall be filed with the clerk of each House of the General Assembly on the first day of each regular biennial session.

Section 8. In connection with each bond issue of the Authority, it shall be the duty of the Authority:

(a) to require the board of education to insure the Project to its full insurable value, or to the amount of the bonds outstanding from time to time, whichever is the less, against the hazards covered by the Standard Fire Insurance Policy with standard endorsement of "extended coverage;" and to require that a copy of each policy be delivered to the Authority for inspection and for its records;

(b) to require periodic accounting from all depositories of funds, the same to be submitted on forms prepared and supplied by the Authority;

(c) to furnish to the auditing staff of the Department a summary indentification and description of each issue, and to request that the financial records of the board of education relating thereto be audited as a part of the annual audit of the board of education, and that a separate statement or report thereof be filed with the Authority;

(d) to send to each board of education, at least thirty days before the due date of any rental payment, a notice of the amount of rental to become due, and the date thereof, and to require acknowledgement thereof;

(e) in the event of failure to receive from the board of education satisfactory evidence that sufficient funds have been transmitted to the Authority, or will be so transmitted, for paying bond principal and/or interest when due, as provided in the lease, to notify and request that the Department withhold from the board of education a sufficient portion of any undisbursed funds then held or set aside or allocated to it, and to request that the Department transfer the required amount thereof to the Authority for the account of the board of education.

Section 9. It shall be the duty of the Department, upon written request of the Authority:

(a) to cause its auditing staff to audit the financial records of a board of education relating to any identified and described bond issue of the Authority, as an incident to the Department's next ensuing annual audit of such board of education, and each subsequent annual audit thereof; and to provide to the Authority a statement or report thereof;

(b) upon receiving a notification and request from the Authority as described in Section 8 (f) of this Act, to ascertain whether the lease of the board of education has been renewed and is in force in accordance with its terms; and if the same is ascertained to be in force, to withhold from the Board of education a sufficient portion of any undisbursed funds then held or set aside or allocated by the Department for the board of education, and to comply with the terms of the notification and request of the Authority, for the account of said board of education.

Section 10.

(a) Bonds of the Authority shall be issued in the name of the Authority, shall be designated "School Building Revenue Bonds," or, if appropriate, "School Building Revenue Refunding Bonds," and shall additionally be identified by the name of the board of education executing the lease. If the Authority shall issue more than one series of bonds for the same lessee from time to time, each series, including the first or subsequent to the first, shall additionally be identified distinctly by alphabetical or chronological designation, by date of the bonds, or otherwise as the Authority may determine.

(b) For the purposes of determining any limit prescribed by any law for investment of any public funds, or funds of banks, trust companies, insurance companies, building and loan associations, credit unions, pension and retirement funds, and fiduciaries, in obligations of a single obligor, bonds issued by the Authority pursuant to this Act shall not be deemed to be bonds or obligations of the same obligor except to the aggregate of all series of bonds involving leases of a single board of education.

(c) Bonds issued by the Authority under the provisions of this

Act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

Section 11. The Authority and all of its transactions, activities and proceedings in the authorization and issuance of its bonds, execution of leases, accepting conveyances of property, making conveyances of property, and otherwise, shall be exempt from approval, control and supervision of the State Property and Buildings Commission as might otherwise be applicable under KRS 56.440 to 56.580, and from all provisions relating to custodianship by the Secretary of State of title documents, leases, abstracts of title, maps and other records as provided in KRS 56.020 to 56.320. Conveyances of property to or by the Authority shall not be deemed to be conveyances to or by the Commonwealth.

Section 12. Bonds of the Authority shall be sold only upon the basis of sealed bids or proposals, publicly solicited, received, opened and acted upon. The "publication area," as that term is used in KRS Chapter 424, shall not be deemed to be the area within which the office of the Authority is situated, but shall be deemed to be the "publication area" of the board of education executing the lease. Each sale shall be publicly advertised by means of a notice conforming to the provisions of KRS 424.140 (5), and the same shall be published at least one time, at least seven days in advance of the date set forth for opening bids, in a daily newspaper having bona fide general circulation throughout the Commonwealth. If such publication is made, it shall be sufficient for publication in the "publication area" to be made only one time, at least seven days in advance of the date set forth for the opening of bids, notwithstanding provisions for publication more often as provided in KRS Chapter 424. If a copy of the sale notice be delivered or transmitted in good faith to the qualified newspaper of the "publication area" in time for publication in an issue thereof published seven days or more in advance of the date set forth for the opening of bids, and with direction for publication therein, any failure of such newspaper to make publication as directed shall not invalidate the sale of the bonds by the Authority on the designated date, nor require postponement or cancellation thereof.

SB 206, AN ACT relating to property taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) If any person delinquent in the payment of any personal property tax, the collection of which is not barred by limitations, neglects or refuses to pay the same within ten days following the mailing of notice and demand therefor by the delinquent tax collector for the state, city, school district, or other taxing district, said delinquent tax collector may levy upon all intangible property and rights to intangible property belonging to such person. Such levy shall be made by causing to be delivered a notice of levy and one copy of same to any person in possession of, or obligated with respect to such property or rights to property subject to levy. A copy of such notice shall be forthwith mailed to the taxpayer at his last known address, if any. The notice of levy shall contain in substance, the following:

"(Name of person in possession of or obligated with respect to property or rights to property belonging to the delinquent)
(Address) (Date)"

"(Name of person delinquent in payment of taxes) is indebted to (name of taxing district or districts) for past due property taxes in the amount of \$), including penalties (\$) and interest (\$) to date. To that extent you are notified not to pay or deliver to (name of delinquent) any money, property, or other thing of value owed or accrued to the account of (name of delinquent) for a period of twenty (20) days from the date set forth above, unless authorized in writing by the undersigned. You are required to deliver a copy of this levy to (name of delinquent) if he can be found on your premises. (Name of person delinquent) may secure a hearing before any court otherwise having civil jurisdiction by filing with the clerk of such court a copy of this notice of levy, if any one of the following grounds exist:

1. Property on which claim is based was not assessed; or
2. Property is not subject to taxation; or
3. The taxes claimed to be owing have been paid.

No hearing will be granted, unless, a copy of this notice is filed with the clerk of the appropriate court within ten days from the date of this notice."

(2) The person delinquent in the payment of such taxes may, within ten days from the date the notice of levy is served as provided in Subsection (1), file a copy of said notice with the Clerk of the Quarterly Court, Clerk of the Justice Court, or Clerk of the Circuit Court, otherwise having jurisdiction of the property involved, and obtain a hearing if he believes that any of the following grounds exist:

(a) The property on which the tax claim is based has never been assessed; or

(b) The property is not subject to taxation; or

(c) All of the taxes claimed due have been paid.

(3) The clerk of such court, shall not require any advance deposit as a condition to filing the copy of said notice of levy and shall forthwith proceed to hear the matter—in special session, if necessary. The costs of the proceedings shall be assessed against the taxpayer, unless, it is adjudged that there is no delinquency in any amount.

(4) Any person in possession of, or obligated with respect to property or rights to property upon which a levy has been made pursuant to this Act shall, unless otherwise ordered by the court acquiring jurisdiction, upon written demand of the delinquent tax collector making the levy, surrender such property or rights to property, or discharge such obligations, to such delinquent taxpayer.

(5) If the proceeding authorized by Subsection (2) of this Section is not instituted within the time therein prescribed, the delinquent tax collector shall immediately make the demand authorized by subsection (4) of this Section. In the event the preceding authorized by Subsection (2) of this Section is instituted, the court acquiring jurisdiction, shall, upon written motion of the delinquent tax collector, order the person to whom the notice of levy was given to pay such sum, deliver such property, or discharge such obligation to such court, in an amount not to exceed the sum set forth as owing in the notice of levy.

(6) Any person who fails or refuses to surrender any property or rights to property after demand by the delinquent tax collector as provided in Subsection (4) of this Section, shall be liable in his own person and estate to the state, county, city, school district, or districts to whom the taxes are owed in a sum equal to the value of the property or rights to property not so surrendered, but not exceeding the amount specified in the notice of levy.

(7) Any person who fails to execute an order of the court, entered in accordance with Subsection (5) of this Section shall be summoned to appear in said Court and, after opportunity to be heard, shall be adjudged personally liable in a sum equal to the value of the property, or rights to property, not surrendered to the Court pursuant to order, but not exceeding the amount specified in the notice of levy plus the costs of the proceedings.

(8) Whenever any property, or rights to property, upon which levy has been made under Subsection (1) of this Section is not sufficient to satisfy the claim, or claims, for which levy is made, the delinquent tax collector may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against which such claim or claims exist, until the amounts due are fully paid.

(9) "Delinquent Tax Collector" includes any elective or appointive officer or employee, or any independent contractor, authorized to collect delinquent personal property taxes.

(10) The term "person", as used in this Act includes the Commonwealth of Kentucky as such acting by or through any department, instrumentality or agency thereof, or any county, city, agency or instrumentality or other political subdivision of the Commonwealth, or agency, or instrumentality thereof, corporations, banks, trust companies, individuals, partnerships, associations, joint stock companies, and Federal agencies, instrumentalities, and corporations, except, as prohibited by the Constitution of the United States or by Act of Congress.

(11) The remedy conferred by this Section is in addition to all existing remedies available to the state, counties, cities, school districts, and other taxing districts for the collection of delinquent property taxes.

SB 214, AN ACT relating to school districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any party aggrieved by a decision of the State Board of Education as provided for in Section 160.045 of the Kentucky Revised Statutes shall, within thirty days thereafter, have the right of appeal de novo, to the circuit court of the county in which the action arose.

SB 168, AN ACT relating to retirement systems for public officers and employes, making an appropriation, and declaring an emergency.

WHEREAS, the State Police Retriment System and the Kentucky Employes Retirement System are already operating under the direction of the same Board of Trustees, and with many of the same employes, and

WHEREAS, an intelligent regard for economy and efficiency of operation would seem to require inclusion of the County Employes Retirement System within the same administrative division, and

WHEREAS, certain other changes have been proposed in each of these systems,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I.

Section 1. KRS 16.540 is amended to read as follows:

Authorized leave of absence shall not be deemed an interruption of creditable service or a cessation of membership. Time while on authorized leave shall be credited as service for purposes of KRS 16.505 to 16.645 as follows:

(1) Credit shall be allowed for leave of absence for educational purposes, whether with or without pay.

(2) Credit shall be allowed for illness not covered under this plan, provided such illness is properly substantiated on request of the employer or board.

(3) Credit shall be allowed for absence from employment, with or without pay, if authorized by the employer and approved by the board.

Section 2. A new section, KRS 16.541, is established to read as follows:

(1) Any person who left the State Police or its predecessor in order to enter the armed forces of the United States and who is re-employed by the State Police after the effective date of the system shall be entitled to have credited as service his period of service in such armed forces, not to exceed six years, provided he applies for reinstatement within three months of discharge, which must be honorable, or within three months of a subsequent termination of any total disability, and, subject to the approval of the State Police Personnel Board, is re-employed, KRS 61.370 to the contrary notwithstanding.

(2) Any person who left the State Police or its predecessor prior to the effective date of the System in order to enter the Armed Forces of the United States, and who was re-employed within one year after his honorable discharge therefrom, or upon the subsequent termination of any total disability which existed at the expiration of said year after discharge, shall be entitled to have credited as service his period of service in the Armed Forces, not to exceed six years.

Section 3. KRS 16.580 is amended to read as follows:

(1) Total and permanent disability as used in KRS 16.505 to 16.645 shall mean such disability as results in a member's incapacity to engage in any occupation for remuneration or profit, which disability is the result of bodily injury or disease. Loss by severance of both hands at or above the wrists, or both feet at or above the ankle, or one hand above the wrist and one foot at or above the ankle, or the complete, irrecoverable loss of the sight of both eyes shall be considered as total and permanent dsability. The "disability ratio" shall be deemed one hundred percent in the case of total and permanent disability.

(2) Partial disability as used in KRS 16.505 to 16.645 shall mean such disability as results in a member's incapacity to continue as an employe of the employer, and which disability has incapacitated such member and is the result of bodily injury or disease. The board shall have full power and exclusive authority to determine the existence

of partial disability; it shall establish by appropriate findings utilizing consistent procedures, including services of an examiner, the disability ratio applicable to such disabled member.

(3) Notwithstanding the provisions of subsections (1) and (2), no injury shall be deemed to be disability within the provisions of KRS 16.505 to 16.645 if such injury results directly or indirectly from:

(a) Injury intentionally self-inflicted while sane or insane;

(b) Injury or disease resulting from military service; or

(c) Disease suffered or contracted prior to date of employment as an employe of the employer.

(4) Upon termination of disability a member or retired member eligible for disability benefits under KRS 16.505 to 16.645 shall lose all rights to such benefits that would be paid subsequent to the termination of disability, except as provided in KRS 16.575 (3).

(5) (a) Once each year the board may require any retired member receiving a disability benefit who has not reached age fifty-five to undergo a medical examination by an examiner designated by the board, such examination to be made at a place near the residence of such retired member or such other place as may be mutually agreed upon. If it appears from such medical examination that the disability of said retired member has changed or that his earning capacity has changed since the date disability payments commenced, the board shall revise the retired member's "disability ratio" consistent with such findings and disability benefits to the retired member shall be adjusted beginning with the next benefit payment.

(b) Should any member receiving a retirement allowance by reason of disability refuse to submit to such medical examination, his disability benefits shall be discontinued until he shall actually undergo such medical examination, and should he fail to undergo such medical examination for one year, all his right in and to his disability benefits shall cease. If a retired member has his disabiilty benefits hereunder discountinued prior to age fifty-five and if such member is re-employed by the employer within six months following the date said disability ceases, then his service shall not be deemed to have ceased or been interrupted for purposes of determining benefits upon normal retirement.

(6) Total and permanent disability shall be deemed to cease in event a retired member receiving a benefit by reason of total and permanent disability engages in gainful occupation or work of any sort.

(7) Notwithstanding any provisions of KRS 16.505 to 16.645 to the contrary, no benefit provided in KRS 16.605 or 16.610 shall be reduced as a result of any change in the extent of disability or the disability ratio with respect to any retired member who is age fifty-five or over.

Section 4. KRS 16.600 is amended to read as follows:

In event death of a member occurs as a direct result of an act occurring or a thing done which, as determined by the board, was required in the performance of duty, the member's beneficiary shall receive the following monthly benefit, computed pursuant to the various percentages referred to as "benefit percentages", applicable to the deceased member's monthly rate of creditable compensation at time of death. The benefit shall commence in the month following date of the death of the member and shall be payable to the beneficiary, if living, or to a legally appointed guardian, or the member's estate as the case may be, as directed by the board.

(1) For the surviving beneficiary, a "benefit percentage" of forty-five percent shall be applicable. The resulting benefit shall be payable until the death of the beneficiary, or until seventy-two payments have been paid, whichever occurs first. Benefits cease upon remarriage in the case of beneficiaries who are also surviving spouses of members. Notwithstanding the provisions of this section, if the spouse is beneficiary and remains unmarried, said benefit shall be continued for as long a time as there is at least one dependent child. Upon the death of the surviving beneficiary, if there is then at least one dependent child, the board shall direct that the benefit otherwise payable for the beneficiary, together with all other income from the system by reason of dependent children, shall be continued to a legally appointed guardian, or such other person, persons, or organization entitled to such income in the opinion of the board by reason of carrying out the responsibilities of the orphaned dependent children.

(2) In the period of time following a member's death during which time dependent children survive, an additional "benefit percentage" shall be applicable. The amount of such additional "benefit percentage" applicable at the time any particular payment is due shall depend on the number of dependent children then alive, unmarried and under age 18 and shall be computed as the sum of (a) and (b) as follows:

(a) 10%

(b) 5% times the then number of such dependent children.

Provided, however, the "benefit percentage" so computed shall not exceed 30% with respect to this paragraph (2).

Section 5. KRS 16.605 is amended to read as follows:

In event disability as provided in KRS 16.580 occurs as a direct result of any act occurring or a thing done which, as determined by the board, was required in the performance of duty, the member shall retire on his disability retirement date and be eligible to receive a benefit equal to the product of the "disability ratio," as provided in KRS 16.580, and the amount determined according to subsections (1) and (2) of this section. The income shall commence in the month of the disability retirement date and will be payable to the retired member.

(1) For the disabled member, forty-five percent of the member's monthly rate of creditable compensation in effect at the time of the occurrence leading to disability shall be payable until death;

(2) In the period of time following said member's disability retirement date, during which time dependent children survive, an additional "benefit percentage" shall be applicable. The amount of such additional "benefit percentage" applicable at the time any particular payment is due shall depend on the number of dependent children then alive, unmarried and under age 18 and shall be computed as the sum of (a) and (b) as follows:

(a) 10%

(b) 5% times the then number of such dependent children.

Provided, however, the "benefit percentage" so computed shall not exceed 30%.

Upon the death of the retired member, a death benefit shall be payable to the surviving beneficiary, computed as if the member had died in line of duty and received a benefit in accordance with the provisions of KRS 16.600. All members now retired because of disability shall have their retirement allowance recomputed in accordance with KRS 16.605 as amended.

Section 6. KRS 16.610 is hereby repealed.

Section 7. KRS 16.620 is amended to read as follows:

In event of partial or total and permanent disability not a direct result of performing an act or doing anything required in the performance of duties, the member shall be eligible to receive a lump sum payment equal to his accumulated contributions determined on the date of cessation of membership. However, if such disability occurs after 10 years of service and is total and permanent, the member may elect to retire after his last day of service and to receive an annual retirement allowance payable monthly for life computed as the product of (a) and (b) as follows:

(a) ½% of the first $1,320 of final compensation, plus 1% of the next $2,880 of final compensation, plus 1¼% of any excess over $4,200 of final compensation.

(b) Length of service;
except that the annual allowance otherwise payable shall not be less than $480.

Section 8. KRS 16.640 is amended to read as follows:

The government and control of the system is hereby vested in the Board of Trustees of the Kentucky Employes Retirement System. The Board shall carry out the provisions of KRS 16.505 to 16.645 in the same manner in whch it administers the Kentucky Employes Retirement System. In all matters concerning the administration of KRS 16.505 to 16.645, the same rights, duties, and obligations shall apply to the Board, as now apply under the provisions of KRS 61.510 to 61.700, except that members of the Board, when acting for the Kentucky State Police Retirement System, shall be limited to a per diem of ten dollars plus actual expenses.

PART II.

Section 1. Subsections (3), (5), (6), (10), (11), (14) and (16) of KRS 61.510 are amended to read as follows:

(3) "Department" means any State Department or Board or Agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of this act, the General Assembly, officers and employes thereof shall be deemed to be a department;

(5) "Employe" means every person regularly employed in rendering service to and for a department and whose compensation is payable in whole or in part by such department. The term shall include all full-time, regular employes of the board and employes of the Department of Military Affairs whose compensation is paid wholly or in part by the federal government. If authorized by executive order as required by KRS 61.520, the term shall also include members and all regular constitutional officers and employes of the General Assembly. In case of any doubt, the board shall determine if a person is an employe within the meaning of KRS 61.510 to 61.700;

(6) "Employer" means a department or any authority of such department having the power to appoint or select an employe in such department, including the Senate and the House of Representatives;

(10) "Current service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, on and after July 1, 1956 (except that for members of the General Assembly, officers and employes thereof, this date shall be January 1, 1960) for which compensation is paid by the employer during which employment the employe is a member of the system, except as otherwise provided in KRS 61.620;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which compensation was paid by the employer; except that, for the General Assembly officers and employes thereof, "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to January 1, 1960, for which compensation was paid by the employer;

(14) "Creditable compensation" means the compensation to an employe, arising from funds disbursed by the State Treasurer, or, with

respect to employes of the Department of Military Affairs, arising from funds disbursed either by the State Treasurer or by the federal government, working the full working time for his position; provided, however, that in the case of members and officers of the General Assembly, all compensation received during a legislative biennium shall be calculated as having been received in equal amounts for each month of the biennum, but only if said member, or officer shall continue in said capacity for the entire biennium. In cases where compensation includes maintenance and other perquisites, the Board shall fix the value of that part of the compensation not paid in money;

(16) "Retirement allowance" means the retirement payments to which a member is entitled. Any person receiving a retirement allowance on the effective date of this Act as amended who has been a member, officer, or employe of the General Assembly, shall be entitled to have his allowance recomputed upon application but within 90 days following such effective date. Any such person who has left the state service before the effective date of this Act without receiving a retirement allowance, but who would have been eligible to receive such an allowance under the provisions of this Act as amended, shall be entitled to such allowance if he shall not have withdrawn his accumulated contributions, or, if he has withdrawn them, if he re-deposits them with the System, together with interest at a rate determined by the Board, within 90 days following the effective date of this Act as amended.

Section 2. KRS 61.520 is amended to read as follows:

(1) Each department will participate in the system when the Governor by appropriate executive order, the authority to issue such executive order being hereby granted, permits such department to participate in the system. The effective date of such participation shall be the July 1 coinciding with or next following the signing of such executive order, except that the effective date of participation with respect to members of the General Assembly and the officers and employes thereof shall be fixed by the Governor in his executive order.

(2) Once a department participates it shall thereafter continue to participate.

Section 3. KRS 61.525 is amended to read as follows:

Membership in the system shall consist of the following:

(1) All persons who become employes of a participating department after the date such department first participates in the system; and

(2) All persons who are employes of a department on the date the department first participates in the system, either in service or on authorized leave from service, and who elect within 6 months following such department's participation, or in the case of persons on authorized

leave, within 6 months of their return to active service, to become members and thereby agree to make contributions as provided in KRS 61.510 to 61.700.

Section 4. KRS 61.535 is amended to read as follows:

The membership of any person in the system shall cease:

(1) Upon withdrawal of his accumulated contributions at or any time after termination of employment, regardless of length of service; provided, however, that any person with more than five years of service whose employment has previously been terminated without prejudice, and who is re-employed before July 1, 1961, may re-contribute his previously withdrawn accumulated contributions, together with interest at a rate determined by the Board, and receive credit for all prior service and the current service for which the accumulated contributions are being re-contributed; providing such re-contribution is made within 6 months following re-employment or the effective date of this Act, whichever occurs later.

(2) Upon termination of employment, unless at such termination of employment the member has had at least ten years of service (except as modified by subsection (1) herein); provided, however, that any person having more than ten years of service but less than twenty years shall cease to be a member after the expiration of eight years from termination of employment if not re-employed by that time;

(3) Upon service retirement;

(4) Upon death;

(5) Upon termination of employment with prejudice after twenty years of service;

(6) For purposes of KRS 61.510 to 61.700, termination of employment with prejudice shall mean termination as the result of conviction of the member in a court of competent jurisdiction of embezzlement or larceny of public funds or property or malfeasance in office, or the forcing of a member to make restitution for any funds or property criminally taken by said member at the time of termination of employment.

Section 5. KRS 61.557 is amended to read as follows:

Inasmuch as the take-over of the Kentucky State Employment Service by the federal government, through its U. S. Employment Service and War Manpower Commission, was recognized by both federal and state governments as a temporary measure during the war emergency, and the said Employment Service was, in fact, returned to the state government at the close of the emergency period, the employes of said service are recognized as employes of the Commonwealth for the purposes of this Act during the period of control by the federal government, just the same as if they had been employed in another department of the government of the Commonwealth during that period.

Section 6. KRS 61.560 is amended to read as follows:

(1) (a) Each member shall, commencing on the date he becomes a member, contribute for each pay period for which he receives compensation two and three-fourths percent of his creditable compensation if his rate of annual compensation does not exceed $4,200. If such member's rate of annual compensation exceeds $4,200, he shall contribute two and three-fourths percent of that portion of his creditable compensation not in excess of the equivalent applicable rate for such pay period to annual compensation of $4,200 and four percent of that portion of his creditable compensation which is in excess of such rate applicable to annual compensation of $4,200.

(b) Each employe of a department on the date of the department first participates in the system who elects to become a member within six months subsequent to such date shall make contributions which he would have made if he had elected to become a member as of the date such department first participated.

(2) The Commissioner of Finance shall cause to be deducted from the salary or compensation of each member whose compensation is paid by the state, for each and every payroll period subsequent to the date of establishment of the system, and the Adjutant General shall collect from each member in the Department of Military Affairs, whose compensation is paid wholly or in part by the federal government at the time of payment, the contribution payable by each such member as provided in KRS 61.510 to 61.700, but in no case shall any deduction be made from the compensation of a member after his normal retirement date if such member elects not to contribute.

(3) In determining the creditable compensation of a member in a payroll period, the board may consider the rate of compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and, to facilitate the making of deductions, may allow the omission of deductions from any fractional amount less than one dollar from any member in any period and may allow the omission of deductions from compensation for any period less than a full payroll period if any employe was not a member on the first day of the payroll period.

(4) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.510 to 61.700.

(5) Notwithstanding any other provisions of this section, no deduction shall be made from any member's compensation if the employer's contribution required hereunder is in default.

Section 7. KRS 61.595 is amended to read as follows:

(1) Upon service retirement at normal retirement date, or subsequent thereto, a member shall receive an annual retirement allowance, payable monthly during his lifetime, which shall consist of an amount equal to one-half percent of the first $1,320 of final compensation multiplied by the number of years of service, plus one percent of the next $2,880 of final compensation multiplied by the number of years of service, plus one and one-fourth percent of final compensation in excess of $4,200 multiplied by the number of years of service; except that the amount of such annual retirement allowance shall not be less than $480.

(2) Upon service retirement prior to normal retirement date, a member shall receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowances so determined shall be reduced by five-twelfths percent for each 30 days that the actual retirement date precedes the normal retirement date; and the determination made pursuant to this subsection shall not take into account the minimum allowance provided in subsection (1).

(3) All persons retired under this section shall be entitled to have their benefits recomputed on July 1, 1960, in accordance with the formula then in effect.

Section 8. KRS 61.600 is amended to read as follows:

Any member in service who has ten or more years of service may, at any time before his normal retirement date, retire on account of disability upon written notification to the board, made by the member or his employer, setting forth at what time the retirement is to become effective; provided that such effective date shall be after the last day of service but shall not be more than ninety days prior to the filing of such notice; and provided further that the examiner, after a medical examination of such member, shall certify that such member is, and has been continuously since such effective date, if prior to the filing of such notice, mentally or physically incapacitated for the further performance of duty and that such incapacity is likely to be permanent and that such member shall be retired.

Section 9. KRS 61.605 is amended to read as follows:

Upon disability retirement, a member shall receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability except that the amount of such annual retirement allowance shall not be less than $480.00. All members now retired because of disability shall have their retirement allowance recomputed in accordance with 61.605 as amended.

Section 10. KRS 61.625 is amended to read as follows:

If a member has ceased to be an employe other than by death or by retirement under the provisions of KRS 61.510 to 61.700, he shall be paid, on demand, but not later than ninety days thereafter, the amount of his accumulated contributions reduced by the amount of any retirement allowances previously received by him under any of the provisions of KRS 61.510 to 61.700.

Section 11. KRS 61.630 is amended to read as follows:

Should a member die at any time after retirement but before receiving total retirement allowances provided in KRS 61.510 to 61.700 at least equal to his accumulated contributions as of the date of his retirement, the difference between such accumulated contributions and such total allowances shall then be payable in a lump sum to the properly designated beneficiary, if then living; otherwise, to the estate of the deceased member, unless the retirement allowance is then being paid in accordance with any of the options contained in KRS 61.635 or 61.640.

Section 12. KRS 61.635 is amended to read as follows:

(1) Each member shall have the right, with respect to paragraphs (a), (b), (c) herein, to elect to have his retirement allowance payable under any one of the options set forth in this section in lieu of the retirement allowance otherwise payable to him upon retirement under any of these provisions of KRS 61.510 to 61.700. The amount of any such optional retirement allowance shall be actuarially equivalent to the amount of retirement allowance otherwise payable to him; except, however, in the case of a member retiring after his normal retirement date, any such optional retirement allowance shall not be less than it would be if the member were then retiring on his normal retirement date. At least 30 days prior to the date payment of any retirement allowance or optional allowance is to commence, the member shall make such an election by written request to the Board and such election shall be subject to the approval of the Board.

(a) A member may elect to receive an increased retirement allowance in lieu of any death benefits as provided in KRS 61.630.

(b) The member may elect to receive a decreased retirement allowance during his lifetime and have such retirement allowance, or one-half thereof if so designated, continued after his death to another person during the lifetime of such person. In case of such an election death benefits that might otherwise be provided under KRS 61.630

shall not be payable upon the death of the member. This option may not be elected by a member if the social security option of paragraph (c) herein has previously been elected.

(c) If a member retires prior to his sixty-fifth birthday, he may elect to receive an increased retirement allowance up to the date he commences to receive his primary insurance benefits under Federal Social Security and a decreased retirement allowance thereafter, thereby providing a more nearly level retirement allowance when such decreased retirement allowance is added to his anticipated primary benefits under the Federal Social Security Act. The election of this option shall automatically revoke any previous election under the joint and last survivor option of paragraph (b) herein.

(2) The election by a member of any one of the options stated in this section shall be null and void if the member dies prior to retirement, and the election by a member of option (b) shall be effective only if the beneficiary is living at the effective date of the member's retirement.

(3) A member who has elected any one of the options stated in this section may, at any time prior to the later of the effective date of the member's retirement or the date of written notification to the board of retirement of the member, revoke such an election by written notification to the board.

(4) If any service or disability retirement allowance provided in KRS 61.590 through 61.640 is less than $20.00 a month, the board may at its discretion pay the actuarial equivalent of such allowance in any other manner agreed on by the member and the board.

Section 13. KRS 61.640 is amended to read as follows:

Should a member die at any time before retirement, the amount of his accumulated contributions, reduced by the amount of any retirement allowance previously received by him under any of the provisions of KRS 61.510 to 61.700, shall be payable in a lump sum to the properly designated beneficiary, if then living; otherwise, to the estate of the deceased member; provided, however, that if the member is in service at time of death and is eligible to retire on benefits payable as provided in KRS 61.590 (1) and (2) and has on file with the board at the time of his death a written designation of beneficiary, then said beneficiary shall receive an annual benefit payable monthly which shall be equal in amount to the benefit that would have been paid had the member retired immediately prior to his date of death and elected option (b) (100%) as provided in KRS 61.635 so that the retirement allowance (not one-half thereof) shall be continued during the lifetime of the beneficiary. Nomination of beneficiary may be changed by the member at any time prior to retirement by written designation signed by a member in such manner and on such forms as shall be required by the board. Such change shall be effective on the day such designation is received by the board.

Section 14. KRS 61.645 is amended to read as follows:

(1) On the first day of the month following the effective date of this Act, the terms of the members of the Board of Trustees then in office shall cease and determine. Thereafter the system shall be administered by a Board of Trustees consisting of the Commissioners of Finance, Economic Security and Personnel, and the Director of the Division of State Police, and five citizens appointed by the Governor, at least one of whom shall have been at one time a county officer or employe. The terms of the citizen members shall be four years, and they may be removed only for good cause shown and entered upon the Executive Order Book; provided, however, that the terms of the members initially appointed under this Act shall be one for one year, one for two years, one for three years, and two for four years; and provided further that the initial appointments made under this Act shall include one person who shall have been a member of the Board of Trustees of the Kentucky Employes Retirement System prior to its reorganization under this Act, and one person who shall have been a member of the Board of Trustees of the County Employes Retirement System prior to its reorganization under this Act.

(2) Board members who do not otherwise receive a salary from the State Treasury shall receive a per diem of $25 for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with normal state regulations and standards.

(3) The Board shall meet at least once in each quarter of the year, and may meet in special session upon the call of the Chairman. It shall elect a Chairman and a Vice-Chairman. A majority of the members shall constitute a quorum, and all actions taken by the Board shall be by affirmative vote of a majority of the entire Board. All vacancies on said Board shall be filled by appointment for unexpired terms by the Governor.

(4) The Board shall:

(a) Appoint an executive secretary, who shall be the secretary and the administrative officer of the board;

(b) Appoint such other employes as it deems necessary and fix the compensation for all employes of the board;

(c) Require such employes as it thinks proper to execute bonds for the faithful performance of their duties;

(d) Establish a system of accounting;

(e) Do all things, take all actions and make all rules and regulations, not inconsistent with the provisions of KRS 61.510 to 61.700, that it deems necessary or proper in order to carry out the provisions of KRS 61.510 to 61.700; provided that the Governor, by Executive Order, for administrative convenience and economy may transfer the administrative functions of the board to any departments or agencies of state government.

(5) All employes of said board shall serve during its will and pleasure.

(6) The Attorney General, or an assistant designated by him, shall act as legal adviser and attorney for the board.

(7) The board shall prepare and publish an annual financial report showing all receipts, disbursements, assets and liabilities. All its proceedings and records shall be open for inspection by the public.

(8) All expenses incurred by or on behalf of the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the board in the administration of the system during any fiscal year shall not exceed $10,000, or two percent of the total employer and member contributions during such fiscal year, whichever is the larger.

Section 15. KRS 61.650 is amended to read as follows:

(1) The board shall be the trustee of the several funds created by KRS 61.510 to 61.700 and shall have full power to invest and reinvest such funds, subject to the limitations that no investment shall be made except upon the exercise of bona fide discretion, in securities which, at the time of making the investment, are, by law, permitted for the investment of funds by fiduciaries in this state. Subject to such limitations, the board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well as of the proceeds of such investments and any monies belonging to such funds.

(2) It is declared to be the policy of the Commonwealth to promote the mutual investment of the funds of the three retirement systems to be administered under this Board of Trustees, and also, where practicable, to encourage the retention of capital funds within this State and region. In furtherance of this policy the Board of Trustees is empowered to establish, either with or without the cooperation of other public retirement systems, such organizations (corporate, trust, or otherwise) as may be desirable to secure the mutual investment of the funds of the three systems under its control, and such other public systems as may wish to join, and to promote the policies herein described.

Section 16. KRS 61.680 is amended to read as follows:

(1) Every member shall be deemed to consent and agree to any deduction from his compensation required by KRS 61.510 to 61.700 and to all other provisions thereof.

(2) Notwithstanding the provisions of subsection (1) hereof, the Board of Trustees is authorized to exempt, under regulations promulgated by it, those persons entering service of a participating department with more than five years of service credit in either the County

Employes Retirement System or the Teachers Retirement System who desire to remain with the system in which their service originated and who are permitted by that system so to continue. Authority for reciprocal arrangements among these three systems is recognized.

Section 17. In order to pay the employer's contribution necessitated by the inclusion in the System of members, officers and employes of the General Assembly, as provided herein, there is hereby appropriated out of funds in the State Treasury otherwise unappropriated, and in addition to the funds normally available, to the Board of Trustees of the Kentucky Employes Retirement System the following amount:

1961-1962	$15,000

PART III.

Section 1. Subsection (3) of KRS 78.510 is amended to read as follows:

(3) "County" means any county participating in the system in accordance with appropriate executive order, as provided in KRS 78.530, or any joint city-county agency acting as an independent entity or other independent municipal corporation except cities, by order appropriate to its governmental structure and provided the Board is willing to accept such agency or corporation.

Section 2. KRS 78.780 is amended to read as follows:

(1) On the first day of the month following the effective date of this Act, the terms of the members of the Board of Trustees then in office shall cease and determine. Thereafter the government and control of the system is vested in the Board of Trustees of the Kentucky Employes Retirement System. The Board shall carry out the provisions of KRS 78.510 to 78.991 in the same manner in which it administers the Kentucky Employes Retirement System. In all matters concerning the administration of KRS 78.510 to 78.991, the same rights, duties, and obligations shall apply to the Board as now apply under the provisions of KRS 61.510 to 61.700, except that members of the Board, when acting for the County Employes Retirement System, shall be limited to a per diem of ten dollars, plus actual expenses.

(2) Expenses incurred by or on behalf of the Board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the Board payable out of the retirement allowance account in the administration of the system during any fiscal year shall not exceed $20,000, or two percent of the total employer and member contributions during such fiscal year, whichever is the larger. Nothing herein shall be construed as limiting appropriations which may be made to the system from other sources.

Section 3. KRS 78.790 is amended to read as follows:

The Board shall be the trustee of the several funds created by KRS 78.510 to 78.880, and shall have full power to invest and re-invest such funds subject only to the same limitations placed upon the Board with regard to the funds of the Kentucky Employes Retirement System, as set forth in KRS 61.650, as amended.

Section 4. In order for proper actuarial studies to be made of the system, and for other expenses incident to the proper and sound establishment of the system, there is hereby appropriated out of funds in the State Treasury otherwise unappropriated, and in addition to the funds normally available, to the Board of Trustees of the County Employes Retirement System, the following amounts:

1960-1961	$15,000
1961-1962	$10,000.

PART IV.

Section 1. Part I, Sections 1 through 7, and Part II, Sections 6 and 7, shall become effective on July 1, 1960.

Section 2. Inasmuch as the efficiency of the County Employes Retirement System will be promoted by its inclusion in the administrative establishment of the other two retirement systems, and the Kentucky State Police Retirement System and the Kentucky Employes Retirement System will also be benefited thereby, an emergency is declared to exist, and this Act shall become effective upon its passage by the General Assembly and approval by the Governor.

Calendar

SB 47, SB 158, SB 171, SB 223, SB 224, SB 225, HB 181, HB 209, HB 300, SB 72, SB 166, SB 208, SB 73, SB 116, SB 165, SB 219, HB 207 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

House Message

Announcing passage of **HB 37, HB 52, HB 64, HB 164, HB 210, HB 231, HB 232, HB 245, HB 252, HB 264, HB 266, HB 288, HB 301, HB 319, HR 21, HR 63, SB 112, SR 28, SB 46,** with House Amendment.

Orders of the Day

Senator Ware moved the adoption of **HR 53.** Agreed.

HR 53, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the feasability of establishing a training home for illegitimate children.

WHEREAS, aid to dependent children is largely aid to children of unwed mothers; and

WHEREAS, such aid involves sums of great magnitude; and

WHEREAS, many unwed mothers hasten to bear more children for the sole purpose of qualifying for more aid; and

WHEREAS, the environment of the children causes them to follow in the immoral footsteps of their mothers and thus perpetuate in increased amount the load of aid to dependent children; and

WHEREAS, the institution of holy matrimony is being endangered; and

WHEREAS, birth out of holy wedlock is being encouraged and illegitimacy is hereby subsidized; and

WHEREAS, unsupervised illegitimates beget illegitimates ad infinitem; and

WHEREAS, the perpetuation of this condition will endanger the stability of the state and nation; and

WHEREAS, a child is born with certain inalienable rights; and

WHEREAS, a child trained in the way he or she should go will not depart from that way when he or she becomes adult;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the Legislative Research Commission make the proper studies, surveys, and analyses and avail itself of competent advice as to the feasability of establishing a proper training home for all illegitimate children born to an unwed mother, except the first such child.

Senator Kidwell moved to read **HR 21** into the Calendar. Agreed. Read at length for the first time and ordered placed in the Calendar.

HR 21, A JOINT RESOLUTION providing payment of the per diem and expense allowance due the late "Banjo" Bill Cornett, a member of the General Assembly.

WHEREAS, "Banjo" Bill Cornett, a member of the General Assembly of the Commonwealth of Kentucky died on the 12th day of January, 1960 during the session of the present General Assembly, and

WHEREAS, there was due him from the Commonwealth his per diem, expense allowance, mileage and stationery as specified by statute, and

WHEREAS, he left surviving him his widow and children,

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That an amount of money shall be payable to the estate of "Banjo" Bill Cornett that was due said "Banjo" Bill Cornett from the Commonwealth of Kentucky for his services in the 1960 General Assembly until the day of his death, and the balance for his per diem and expenses had he served out his full term, in the following sums:

Per diem @ $25.00 per day	$1,850.00
Expenses @ $10.00 per legislative day	600.00
Total	$2,450.00

That said amount shall be payable to the estate of "Banjo" Bill Cornett and the Commissioner of Finance is directed to issue warrants on the State Treasurer for the said sums payable to the estate of "Banjo" Bill Cornett.

Senator Ware moved the adoption of **HR 62.** Agreed.

HR 62, WHEREAS, the County of Henderson is one of the leading oil producing counties of Kentucky, and its citizens produce a vast amount of tobacco, corn and soybeans. The City of Henderson is served by two railroads, the Louisville and Nashville and the Illinois Central. It is located on three major highways, U. S. 41, U. S. 60 and U. S. 641. The present population is in excess of 20,000 home loving people. Its manufacturing interests are many and varied, many of its streets are 100 feet wide, and

WHEREAS, Henderson and Henderson County have given much to the Commonwealth of Kentucky. John James Audubon located in Henderson in 1807, and lived there for several years. Henderson and Henderson County have given the Commonwealth the following Governors: Lazarus W. Powell; John Young Brown; A. O. Stanley; and Albert B. Chandler. Henderson has contributed many of its citizens to places of trust in the nation, and it is truly a city of culture and refinement.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That it take notice of the sesqui-centennial observance of the City of Henderson and that the citizens of the Commonwealth of Kentucky be made aware of Henderson's celebration and that a copy of this resolution be spread upon the records of this General Assembly.

Senator Ware moved the adoption of **HR 70.** Agreed.

HR 70, A CONCURRENT RESOLUTION memorializing Congress to make possible the construction of Cave Run Reservoir on Licking River.

WHEREAS, it has been long recognized that the Licking River has many advantages as a potential reservoir site; and

WHEREAS, a dam in the Cave Run area close to the source of the river would prevent the floods that periodically sweep the length of the river; and

WHEREAS, the opportunities presented by the power source and the recreational facilities that would attend the construction of the dam and reservoir would attract industries and visitors, to the benefit of the entire state;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the United States Congress is hereby petitioned and memorialized to appropriate funds to construct the Cave Run Reservoir, on the Licking River.

Section 2. That the Clerk of the Senate cause copies of this Resolution to be sent to the President of the United States Senate, the Speaker of the United States House of Representatives and to each of the Senators and Representatives of the Commonwealth of Kentucky now serving in the Congress.

Senator Jackson moved the adoption of **SR 41.** Agreed.

SR 41, A CONCURRENT RESOLUTION for Commemoration of the Sesquicentennial Anniversary of the War of 1812 in The Old Northwest 1962-1963.

WHEREAS, it is proposed to commemorate the Sesquicentennial Anniversary of the War of 1812 in the Old Northwest during the years 1962-1963; and

WHEREAS, plans for said commemoration are now being formulated by an interim committee of the War of 1812, composed of representatives of various historical, patriotic, educational and other societies and organizations, especially interested in the project; and

WHEREAS, said interim committee has recommended that state committees be appointed to participate in said project, the chairman thereof to compose a National Committee which will, in turn, seek federal recognition and cooperation; and

WHEREAS, Kentucky played a prominent part in the War of 1812 under the leadership of Governor Isaac Shelby; and

WHEREAS, it is desirable and proper that Kentucky participate in the Commemoration of the War of 1812;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That a committee be appointed for the purpose of cooperating with other state committees in the planning and execution of the Commemoration of the Sesquicentennial Anniversary of the War of 1812 in the Old Northwest during 1962-1963; and

Section 2. The name of said committee shall be The Kentucky Committee for the Commemoration of the War of 1812; and

Section 3. Said Committee shall be composed of a representative from each of such historical, patriotic, educational, civic, and other organizations, as shall be determined by the Governor of Kentucky; and

Section 4. The Governor of Kentucky, the Honorable Bert Combs, be and he is hereby authorized to name and appoint the members of said Committee, and designate the chairman thereof, and to fill vacancies, if any, thereon; and

Section 5. The Kentucky Committee for the Commemoration of The War of 1812 shall continue to function through 1963, with powers to cooperate with other similar State Committees; to arrange programs for the commemoration; to receive donations for the furtherance and execution of the project; and to expend any such funds in such manner as the Committee shall determine.

SB 180 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Amendment #1 by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to **SB 180** is as follows:

"Amend printed copy of **SB 180** on page 1, section 2, line 5 by deleting the word "casual" and substituting therefor the word "causal".

Senator Young moved, seconded by Senator Overbey, that **SB 180** be laid on the Clerk's desk and be made a **special order** the first order of business in the Orders of the Day on March 8. Agreed.

SB 179 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 179** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to **SB 179** is as follows:

"Amend printed copy of Senate Bill 179 on page 1, line 7 by deleting the word "six" and inserting in lieu thereof the words "twenty-four consecutive".

Senator Francis moved the Previous Question on **SB 179,** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond Ware, Young. Nays 0. SB 179 was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 179** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 260 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **HB 260.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 260** was passed and the title agreed to.

Senator Hamilton moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

SR 46, by Senator Hamilton: A RESOLUTION relating to labor peace.

Senator Hamilton moved the adoption of **SR 46.** Agreed.

SR 46, A RESOLUTION relating to labor peace.

WHEREAS, a prominent plank in the platform of the present state administration is the effecting of a proper business climate for the Commonwealth, and

WHEREAS, the orderly conduct of labor affairs and the peaceful solution to labor problems is a necessary component of a better business climate, and

WHEREAS, proper representation of labor in their labor organizations, particularly in leadership positions, is a necessary component of the orderly conduct of labor affairs,

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Commissioner of the Department of Industrial Relations is requested to study the proper leadership now given to labor by those heading the various craft and industrial unions in the Commonwealth including proper representation of labor unions in state-wide organizations embracing both craft and industrial unions.

Section 2. That the Commissioner of the Department of Industrial Relations is requested particularly to study the problem and report on the necessity of labor unions being headed by persons having actual labor experience.

Section 3. That the Commissioner of the Department of Industrial Relations is requested to report the results of this study to the present session of the General Assembly if feasible. If such a report to the present session is not practicable, then the Commissioner is requested to report to the 1962 session of the General Assembly.

HB 32 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **HB 32**. Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Byers, Conley, Craft, C. H. Davis, Derickson, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 32** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **HB 32** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 55 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Kinkead, who moved the adoption. Agreed.

Amend printed copy of **SB 55** by adding a new section to read as follows:

"Section 17. The provisions of this act shall be subject to the terms of KRS 81.280."

Amendment #2 by Senator Kinkead, who moved the adoption. Agreed.

Amend printed copy of **SB 55** on page 1, subsection (1) of Sec. 2 by deleting lines 5 through 9 and substituting in lieu thereof the following:
"persons per square mile unless at least fifty-one percent of the registered voters living in the area involved remonstrate against the proposed annexation. If the unincorporated area lies within two miles of more than one city of the first or second class, this provision shall apply to the largest city of the first or second class to which it can be made contiguous."

Amendment #3 by Senator Kinkead, who moved the adoption. Agreed.

Amend printed copy of **SB 55** on page 2, subsection 2 of Section 2, by deleting lines 15 through 20 and substituting in lieu thereof the following:
"After determination by the court that the density of the population of the unincorporated area is as much as twenty-five hundred persons per square mile, then the annexing procedure to be followed shall be the same as that outlined in Section 3, subsection 2, except that remonstrance must be made by at least fifty-one percent of the registered voters."

Amendment #4 by Senator Miller, who moved the adoption. Agreed.

Amend printed copy of **SB 55** on page 1, section 2, lines 2 and 3 by deleting the words:
"of the first or second class"

Senator Kinkead moved the Previous Question on **SB 55**, as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, C. H. Davis, Derickson, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Overbey, Richmond, Ware. Nays 2—Duffy, McCann. **SB 55** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **SB 55** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Francis moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Francis moved to take up **SB 46** for concurrence in the House Amendment.

Senator Francis moved the adoption of House Amendment to **SB 46.** Agreed.

Said Amendment to **SB 46** is as follows:

The House has passed **SB 46** with the following amendment: on page 3, after section 4, line 4 by adding the following: "Section 5. The provisions of this Act shall not apply to the cremation of stillbirths (fetal deaths) in the absence of any indication of a criminal act."

Senator Francis moved the Previous Question on **SB 46,** as amended. Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **SB 46** was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 46** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 163 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Richmond, who moved the adoption. Agreed.

Said Amendment #1 to **SB 163** is as follows:

Amend printed copy of **S. B. 163** on page 2, after section 3, line 8 by inserting a new section to read as follows:

Section 4. Nothing in this Act shall be construed to be in conflict with, or to supersede the provisions of, Senate Bill 155 enacted at the 1960 Regular Session of the General Assembly.

Senator Richmond moved the Previous Question on **SB 163,** as amended. Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **SB 163** was passed and the title agreed to.

Senator Richmond moved that the vote by which **SB 163** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 146 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 146.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware. Nays 1—Overbey. **SB 146** was passed and the title agreed to.

Senator Kelly moved that the vote by which **SB 146** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

SR 47, by Senator Ware: A CONCURRENT RESOLUTION memorializing the Congress of the United States of America to consider appropriate legislation to prohibit the construction of bridges across the Ohio River which do not have adequate clearance of river traffic.

Senator Ware moved the adoption of **SR 47.** Agreed.

SR 47, A CONCURRENT RESOLUTION memorializing the Congress of the United States of America to consider appropriate legislation to prohibit the construction of bridges across the Ohio River which do not have adequate clearance for river traffic.

WHEREAS, 73,476,894 tons of domestic freight was moved over the Ohio River in 1958 and preliminary calculations indicate an even greater amount in 1959; and,

WHEREAS, the utility of this artery of transportation is threatened by the erection of more bridges across the Ohio River which, because of inadequate clearance, impede the river traffic; and,

WHEREAS, the development of this nation's natural resources, the prosperity and economic development of the Ohio River Valley, and interests of national defense depend upon the full utilization of this waterway;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Congress of the United States of America be, and it hereby is, memorialized to consider appropriate legislation to prohibit the construction of bridges which do not have adequate clearance for river traffic across the Ohio River.

Section 2. That the Clerk of the Senate be directed to forward copies of this Resolution to the United States Senators and Representatives elected from Kentucky, and to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States.

SB 193 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **SB 193.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **SB 193** was passed and the title agreed to.

Senator Melton moved that the vote by which **SB 193** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that **HB 169** be passed over for the time being. Agreed.

HB 17 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Derickson moved the Previous Question on **HB 17.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Brand, Blue, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 17** was passed and the title agreed to.

Senator Derickson moved that the vote by which **HB 17** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate do now adjourn until nine a. m., March 4. Agreed.

THURSDAY, MARCH 4, 1960

FORTY-EIGHTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt of the South Frankfort Presbyterian Church of Frankfort.

The roll was called. All present except Senators Bonn, Conley, Hickerson, D. W. Howard, Johnson, Martin, White and Young, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 3 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 244, by Senators Hehl and Ware: AN ACT relating to the creation of water commissions by cities and water districts for the joint acquisition, operation and financing of sources of supply of water.

SB 245, by Senator Ware: AN ACT concerning the licensing, regulation and inspection of Homes for the Aged and Infirm.

SB 246, by Senator Ware: AN ACT relating to an Interstate Compact on Juveniles.

SB 247, by Senator Melton: AN ACT relating to the regulation for the termite and pest control industry.

SB 248, by Senator McCann: AN ACT relating to retirement of state employes and officials.

SR 48, by Senator Logan: A CONCURRENT RESOLUTION directing the establishment of a state park in Edmonson County.

SR 49, by Senator Miller: A JOINT RESOLUTION relating to the appointment of a joint committee of the House of Representatives and the Senate to conduct a continuing investigation of the common school system.

SB 249, by Senator McCann: AN ACT relating to the education of mentally and physically handicapped children.

House Message

Announcing passage of **SB 82**, Enrolled Copy with House Amendment, **HB 321, HB 320, HB 159, HB 332, HB 193, HR 92, HR 94, HR 96, SB 155.**

Report of Committee

Rules Committee reported **HB 64, SB 238, SB 205** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 64, AN ACT relating to the erection of a statue in memory of Alben William Barkley, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The State Property and Buildings Commission shall, within the legislative biennium 1960-1962, enter into a contract with a qualified sculptor to create by appropriate and recognized methods a lifesize statue of the late Alben William Barkley. Upon completion and acceptance by the Commission, the statue shall be placed in an appropriate place in the rotunda of the State Capitol. The statue shall be so constructed as to harmonize with those statues presently located in the rotunda of the Capitol.

Section 2. The Governor shall appoint a citizens committee for the purpose of advising the State Property and Buildings Commission concerning the selection and erection of the statue. The Composition of such committee shall be at the discretion of the Governor.

Section 3. In order to carry out the provisions of this Act, there is hereby appropriated out of the General Expenditure Fund to the State Property and Buildings Commission, for the fiscal year 1960-1961, and without lapse if unexpended, the sum of Fifty Thousand Dollars. Upon completion of the project, any unused or uncommitted portion of the amount herein appropriated shall revert to the General Expenditure Fund.

SB 238, AN ACT relating to appeals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 21.085 of the Kentucky Revised Statutes is repealed.

Section 2. Subsection (5) of Section 66.310 of the Kentucky Revised Statutes is amended to read as follows:

An appeal may be taken from the circuit court to the Court of Appeals in the manner provided in the Rules of Civil Procedure. The appeal may be advanced for immediate hearing and submission.

Section 3. Subsection (1) of Section 75.010 of the Kentucky Revised Statutes is amended to read as follows:

Upon a petition signed by at least fifty-one percent of the voters, as determined by the registration books covering such territory, and living within the boundary of a proposed fire protection district filed in the circuit court clerk's office of the county in which the greater part of such territory is located, not less than twenty days before the commencement of the next regular term of said court, and in courts of continuous sessions not less than twenty days before the first day of the next calendar month, notice of the filing of such petition and the object thereof having been published in two issues of some newspaper of general circulation in the county, and by notices posted for at least ten days before the commencement of the said court, one at the courthouse door, and three others at public places within the bounds of the proposed fire protection district, the petition setting out the metes and bounds of the proposed fire protection district, the number of voters thereof, and such other facts as may be thought proper, on the second day of the term, and in courts of continuous session on the day provided for in such notice, the court shall, if the proper notice has been given, and publication made, and no written objection, remonstrance or defense is interposed, enter a judgment establishing a fire protection district in accordance with the prayer of the petition, naming it, and describing the boundary thereof by metes and bounds. Defense, objection or remonstrance may be made to the petition by any inhabitant of the proposed fire protection district, or any person owning property therein, and if defense, objection or remonstrance is made, the court shall hear and determine the same, and render a judgment establishing or refusing to establish the fire protection district as may seem proper. The pleadings and practice as herein provided shall be the same in equity cases, as nearly as may be practicable, with right of appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. Such appeal shall be advanced upon the docket.

Section 4. Subsection (1) of Section 75.020 of the Kentucky Revised Statutes is amended to read as follows:

The territorial limits of an established fire protection district, as established under KRS 75.010 to 75.080, may be enlarged or diminished in the following way: The fire protection district trustees shall file a petition in the circuit court clerk's office of the county in which that district and the territory to be annexed or stricken off, or the greater part thereof, is located, not less than thirty days before the next regular term of said court, and in courts of continuous session not less than thirty days before the first day of a succeeding calendar month, describing the territory to be annexed or stricken and setting out the reasons therefor. Notice of the filing of such petition shall be given by publication and posting in the same manner as provided for in KRS 75.010. On the second day of the term, and in courts of continuous session on the day fixed in the notice, the court shall, if the proper notice has been given, and publication made, and no written defense, objection or remonstrance is interposed enter a judgment annexing or striking off the territory described in the petition. Fifty-one percent or more of the freeholders of the territory sought to be annexed or stricken off may, at any time before the next regular term of said court, and in courts of continuous session at any time before the date fixed in the notice, remonstrate in writing, filed in the clerk's office, to the action proposed. If such written remonstrance be filed said clerk shall promptly give notice to the trustees of the fire protection district, and the court shall promptly set the case for a hearing. If, upon such hearing, the court finds from the evidence that a failure to annex or strike off such territory will materially retard the functioning of the fire protection district and materially affect adversely the owners and inhabitants of the territory sought to be annexed or stricken off, it shall enter a judgment granting the annexation or striking off of the territory. In the latter event, no new petition to annex or strike off all or any part of the same territory shall be entertained for a period of two years. The pleadings and practice herein provided shall be the same as in equity cases, as nearly as may be practicable, with right of appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. Such appeal shall be advanced upon the docket.

Section 5. Section 100.970 of the Kentucky Revised Statutes is amended to read as follows:

Appeals to the Court of Appeals from judgments and appealable orders of the circuit courts arising under the planning and zoning laws of this Commonwealth shall be taken in the manner provided in the Rules of Civil Procedure. The appeal may be advanced for immediate hearing and submission.

Section 6. Section 122.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any party may appeal to the Court of Appeals from a judgment entered under KRS 122.030. The appeal shall be in accordance with the Rules of Civil Procedure, except that the notice of appeal shall be filed and a supersedeas bond executed in the circuit court, and the record shall be filed in the Court of Appeals, within ten days after the entry of the judgment. The entire original record shall be filed and no designation of record shall be required.

(2) Upon the filing of the record, the Clerk of the Court of Appeals shall immediately deliver it to the Chief Justice, and the contest shall have precedence over all other business and causes then pending in the Court of Appeals and shall be heard and disposed of as speedily as the exigencies of the case will permit. If the Court of Appeals is in vacation at the time the record is filed, the Chief Justice shall call together the judges or a majority thereof, who shall hear and determine the appeal in the same manner and with the same effect as if heard and tried by the court in regular session.

(3) The Court of Appeals in its discretion may issue its mandate forthwith after rendering its decision, but it shall be without prejudice to the right of the losing party to file a petition for rehearing or the power of the court to recall the mandate should the petition be sustained.

(4) If the judgment is reversed and the case remanded for trial or further action, the proceedings shall continue in the circuit court in like manner as when originally filed, beginning ten days after the filing of the mandate with notice to the adverse party.

Section 7. Subsection (2) of Section 122.060 of the Kentucky Revised Statutes is amended to read as follows:

(2) Any party may appeal from the judgment to the Court of Appeals, in the same manner as provided in KRS 122.040, all of the provisions of which statute shall be applicable.

Section 8. Section 122.090 of the Kentucky Revised Statutes is amended to read as follows:

Any party may appeal to the Court of Appeals from a judgment entered under KRS 122.070, in the same manner as provided in KRS 122.040, all of the provisions of which statute shall be applicable.

Section 9. Subsection (2) of Section 122.100 of the Kentucky Revised Statutes is amended to read as follows:

(2) Any party may appeal from the judgment to the Court of Appeals, in the same manner as provided in KRS 122.040, all of the provisions of which statutes shall be applicable.

Section 10. Subsection (3) of Section 133.170 of the Kentucky Revised Statutes is amended to read as follows:

(3) If either party is dissatisfied with the judgment he may appeal to the Court of Appeals. The appeal shall be in accordance with the Rules of Civil Procedure, except that the notice of appeal shall be filed in the circuit court, and the record shall be filed in the Court of Appeals, within ten days after the entry of the judgment. The entire original record shall be filed and no designation of record shall be required. The appeal shall immediately be placed upon the docket of the court of appeals and shall take precedence over other cases.

Section 11. Section 177.200 of the Kentucky Revised Statutes is amended to read as follows:

Either the department or the railroad company affected by the final judgment of the circuit court may appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. The case shall be advanced.

Section 12. Subsection (2) of Section 178.115 of the Kentucky Revised Statutes is amended to read as follows:

(2) In all cases where such public roads or structures have been established, any person or persons aggrieved thereby may prosecute an appeal from such order or resolution of the fiscal court by filing a petition in equity in the circuit court of the county setting forth his

grievance, to which petition shall be attached an attested or certified copy of such order or resolution. Such petition shall be filed within thirty-five days from the date such order or resolution was entered. Such appeal shall be heard and decided by the court without the intervention of a jury. Any party so appealing shall execute and file a bond for costs at the time such appeal is taken. An appeal to the Court of Appeals may be taken in accordance with the Rules of Civil Procedure.

Section 13. Section 178.380 of the Kentucky Revised Statutes is amended to read as follows:

Either the county or the railroad company dissatisfied with the final judgment of the circuit court may appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. The case shall be advanced.

Section 14. Section 184.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) If no objections are filed on the day set for the initial hearing, the county court shall enter its order approving the petition.

(2) Any owner of land abutting upon the road proposed to be improved who has failed or refused to sign the petition seeking the formation of the road district may, on the day fixed for the hearing, file in the county court his answer to the petition setting forth his objections to the creation of the district, and the county judge shall thereupon fix a day when both the sponsors and the objectors may introduce testimony, and shall at that time hear the case on its merits. The burden of proof shall be upon the objectors to show cause why the road district should not be created, and the case shall be tried as a suit in equity. The order of the county court shall be subject to appeal to the circuit court and thence to the Court of Appeals in accordance with the Rules of Civil Procedure.

Section 15. Section 243.590 of the Kentucky Revised Statutes is amended to read as follows:

Any party aggrieved by a judgment of the Franklin Circuit Court may appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. The appeal may be advanced for immediate hearing.

Section 16. Subsection (2) of Section 267.070 of the Kentucky Revised Statutes is amended to read as follows:

(2) An appeal may be taken to the Court of Appeals from the judgment of the circuit court in accordance with the Rules of Civil Procedure.

Section 17. Section 268.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any county or circuit court may establish, organize, and provide for the operation and maintenance of drainings, levee and

reclamation districts. The original jurisdiction conferred upon the county court for this purpose shall be concurrent with that conferred upon the ciruit court for the same purpose. The circuit court shall also have appellate jurisdiction with reference to any matter in this chapter from any final order or judgment of the county court. In matters relating to procedure this chapter is intended to be exclusive of all other remedies. Any judgment from which no appeal is prosecuted shall be executed by the court in which it is rendered. Proceedings under this chapter shall have precedence on the docket of county and circuit courts over all other civil cases except election cases and proceedings which have been given precedence previously by other laws.

(2) Appeals to the circuit court shall be taken in accordance with the Rules of Civil Procedure. Trials in the circuit court shall be de novo, but no issue which was not rasied by pleadings or exceptions in the county court shall be considered on the trial in the circuit court. All orders made in the county court may be read in evidence in the circuit court without being copied.

(3) An appeal may be taken to the Court of Appeals from any final order or judgment of any circuit court concerning any matter in this chapter, in accordance with the Rules of Civil Procedure.

Section 18. Section 278.450 of the Kentucky Revised Statutes is amended to read as follows:

Upon final submission of any action brought under KRS 278.410, the circuit court shall enter a judgment either sustaining the order of the commission or setting it aside or vacating it in whole or in part, or modifying it, or remanding it to the commission with instructions. Any final order of the commission, on remand of the proceedings, shall be subject to court review in the same manner as any other final order of the commission. Either party to the action may appeal from the judgment of the circuit court to the Court of Appeals in accordance with the Rules of Civil Procedure, and the appeal shall be advanced in the same manner as Commonwealth cases.

Sec. 19. Subsection (4) of Section 281.785 of the Kentucky Revised Statutes is amended to read as follows:

(4) Any party may appeal from the circuit court to the Court of Appeals in accordance with the Rules of Civil Procedure, and such appeal shall have precedence of other cases pending in the Court of Appeals.

Sec. 20. Subsection (5) of Section 292.230 of the Kentucky Revised Statutes is amended to read as follows:

(5) Each final ruling of the director in the granting or refusing to grant a license or permit to transact business in this state, or the suspension or revocation of any such license or permit theretofore

granted or issued, or the refusal of the director to make investigation as to revocation of any such license or permit on complaint, shall be subject to review in a proper proceeding in the Franklin circuit court by any person, firm or corporation feeling aggrieved, and appeal may be taken from the circuit court to the Court of Appeals in accordance with the rules of Civil Procedure.

Sec. 21. Section 393.160 of the Kentucky Revised Statutes is amended to read as follows:

Any person dissatisfied with the decision of the commissioner may within sixty days, appeal from it to the Franklin circuit court or file an action in that court to vacate the decision. In either event the proceedings shall be de novo, and no transcript of the record before the commissioner shall be required to be kept unless requested by the claimant. In such proceeding the commissioner shall be made a party defendant, and all other persons required by law to made parties in actions in rem or quasi in rem shall be made parties. Any party adversely affected by the decision of the Franklin circuit court may appeal to the Court of Appeals in accordance with the Rules of Civil Procedure. Upon an appeal the state shall not be required to make a supersedeas bond. The provisions of this section relating to the decision of the commissioner and appeals therefrom shall also apply to a decision of the commissioner rendered under authority of KRS 393.110.

Sec. 22. Section 394.290 of the Kentucky Revised Statutes is repealed.

Sec. 23. Section 416.200 of the Kentucky Revised Statutes is amended to read as follows:

Either party may appeal to the circuit court from the judgment of the county court in proceedings under KRS 416.150 to 416.190, and from the circuit court to the Court of Appeals, in accordance with the Rules of Civil Procedure. An appeal by the defendant shall not operate as a supersedeas if the telephone company enters into bond, with sureties to be approved by the county court, in double the amount of the award made in the judgment, to secure the defendant in case the judgment is reversed, and upon the execution of such bond the company may construct its telephone line upon the right of way as prayed for in its petition.

SB 205, AN ACT relating to the practice of law before administrative agencies of the Commonwealth of Kentucky and subdivisions thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It shall be unlawful for any person other than a party to the action or a licensed attorney at law to represent any person, firm or corporation before any administrative agency or any board, either of which has quasi-judicial authority of the Commonwealth of Kentucky or of any political subdivision thereof.

Section 2. Any person who violates the provisions of Section 1 of this Act shall be punished by a fine of not more than Five Hundred and 00/100 Dollars ($500.00) or imprisonment in the county jail for not more than thirty days, or both.

Calendar

SB 227, SB 231, SB 234, SB 235, SB 74, SB 75, SB 207, SB 222, HB 254, HB 251, SB 164, HB 109, SB 145, HB 162, HB 273, SB 206, SB 214, SB 168, HR 21, taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Report on Enrolled Bills

Committee on Enrollment reported **SB 46, SB 112** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Orders of the Day

Senator Logan moved the adoption of **HR 94.** Agreed.

HR 94, A CONCURRENT RESOLUTION directing the establishment of a state park in Allen County.

WHEREAS, the United States Government is in the process of building a dam across Barren River between Allen and Barren Counties on the Big Barren River; and

WHEREAS, it is anticipated that when this dam shall have been completed the lake formed thereby will be very attractive to the great numbers of tourists and sportsmen for the fishing and other sports and recreation; and

WHEREAS, the location of the dam and lake is ideal for the purpose of a state park with a hotel and other recreational facilities; and

WHEREAS, United States Highways 31 E, 231, and 68, and Kentucky Highway 101 all converge on the Allen County side of the Barren River Dam, which makes Allen County the more suitable and accessible location for a state park; and

WHEREAS, the lake created by the dam will cover a large part of Allen County, including good bottom land, and will cause a loss of tax revenue which Allen County can ill afford; and

WHEREAS, there is presently no state park located in Allen County;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the Division of Parks in the Department of Conservation be, and it hereby is, authorized and requested to take all necessary steps to establish a state park in Allen County at the site of the lake now being formed by the construction of a dam by the United States Government.

Recess

Senator Ware moved that the Senate do now recess for thirty minutes. At the appointed hour, the President called the Senate to order.

Senator Bishop moved the adoption of **HR 96.** Agreed.

HR 96, A CONCURRENT RESOLUTION relating to the Eastern Kentucky Regional Planning Commission.

WHEREAS, the citizens of Eastern Kentucky have joined themselves together in an organization known as the Eastern Kentucky Tourist Industries Council for the purpose of the development to the fullest potential of the tourist attractions and State Parks of the region by use of both private and public efforts, and

WHEREAS, there is such a tremendous need for such development because of the excellent potential for tourist attractions, scenic beauty, and recreation, which has gone undeveloped for an extensive period of time, and because such development will enable the area to excell in desirability and appeal for those who travel, and

WHEREAS, this region of our Commonwealth experiences a great difficulty in industrial development, because of natural difficulties in development of resources, transportation, and facilities because of its natural topography, this makes even more important the development of the tourist industry for the area to assist in its economic, sociological, and educational growth, and

WHEREAS, the Eastern Kentucky Tourist Industries Council has engaged in making an inventory of tourist developmental needs of both a private and public nature in the region, and has worked with various local committees to formulate proposals related to state park development in particular throughout the region, with these local proposals having been forwarded to the Eastern Kentucky Regional Planning Commission for consideration in formulation of the regional tourist development plan and program, and

WHEREAS, these proposals are to be transmitted for the Commission to the Kentucky Department of Parks for consideration:

NOW THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Eastern Kentucky Tourist Industries Council be appropriately complimented on the excellent qaulity of its work and purposes concerning a region wide citizen-action program of development of public and private tourist travel attractions and facilities as a part of the comprehensive regional development program formulated by the Eastern Kentucky Regional Planning Commission.

Section 2. That the Department of Parks be requested to give careful consideration to the requests for public development of state parks in the region as outlined by the local committees and forwarded to the Commission on State Parks through the Eastern Kentucky Regional Planning Commission, in especial recognition of the unusual economic situation in this region and of the great economic influence which such development can have.

Senator Logan moved the adoption of **SR 48.** Agreed.

SR 48, A CONCURRENT RESOLUTION requesting the establishment of a state park in Edmonson County.

WHEREAS, the United States Government is in the process of building a dam across Nolin River in Edmonson County; and

WHEREAS, it is anticipated that when this dam shall have been completed the lake formed thereby will be very attractive to great numbers of tourists and sportsmen for the fishing and other sports and recreation; and

WHEREAS, the location of the dam and lake is ideal for the purpose of a state park with a hotel and other recreational facilities; and

WHEREAS, the lake created by the dam will cover a large part of Edmonson County, including good bottom land, and will cause a loss of tax revenue which Edmonson County can ill afford; and

WHEREAS, there is presently no state park located in Allen County;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That the Division of Parks in the Department of Conservation be, and it hereby is, requested to take all necessary steps to establish a state park in Edmonson County at the site of the lake now being formed by the construction of a dam by the United States Government.

Senator Ware moved that the Senate do now adjourn until seven p. m., March 7. Agreed.

MONDAY, MARCH 7, 1960

FIFTIETH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend John L. Hunt, Pastor of the South Frankfort Presbyterian Church of Frankfort.

The roll was called. All present except Senators McCann, Raney and Young, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 4 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills

SB 250, by Senators Ware and Blue: AN ACT to define, license and regulate the business of making loans or advances in the amount or of the value of eight hundred dollars ($800) or less, secured or unsecured, at a greater rate of interest.

SB 251, by Senator Ware: AN ACT relating to issuance of general obligation bonds of the Commonwealth for state parks and for highways, bridges and tunnels.

SB 252, by Senator Ware: AN ACT relating to Industrial Development Finance Authority.

SB 253, by Senators Ware, Kelly, Hehl, Miller, Blue, Conley, Francis, Richmond, Martin, Brand, Bonn, Garnett, Byers, Duffy, Logan, Duncan, Overbey, Derickson, Mrs. J. H. Davis and C. H. Davis: AN ACT relating to education of exceptional children and making an appropriation.

SB 254, by Senator Duffy: AN ACT relating to polygraph examiners.

SB 255, by Senator Duffy: AN ACT relating to the Uniform Gifts to Minors Law.

SB 256, by Senator Kinkead: AN ACT relating to financing of public improvements by assessments against benefited properties according to the "assessed value" basis; amending and re-enacting KRS 107.020, 107.030, 107.140 and 107.190; enacting new sections in KRS Chapter 107; and declaring an emergency.

SB 257, by Senators Ware and Hehl: AN ACT relating to Urban Renewal and Redevelopment.

SB 258, by Senator Bassett: AN ACT relating to workmen's compensation insurance.

SB 259, by Senator Johnson: AN ACT relating to the boundaries of the Commonwealth of Kentucky.

SB 260, by Senator Martin: AN ACT relating to the computation of time, amending KRS 446.030.

SB 261, by Senator Johnson: AN ACT relating to the employment practices of the Commonwealth of Kentucky.

House Message

Announcing passage of **HB 102, HB 309, HB 331, HB 373, HB 383, HB 184, SB 91, SB 118** with House Amendment.

Report of Committee

Rules Committee reported **HB 193, SB 244, SB 245, SB 246, HB 168, HB 270, HB 274, HB 275, SB 247, SB 240, SB 241, HB 319, SB 201, HB 82, HB 232, SB 230, HR 63** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 193, AN ACT relating to the Department of Agriculture, Labor and Statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 246.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall consist of nine members as follows: The commissioner, ex officio chairman; the director of the Agriculture Experiment Station, ex officio member and vice-chairman; and seven citizens of the Commonwealth.

(2) The seven members from the state-at-large shall be experienced and practical farmers or agriculturalists, and not more than four of the seven of them shall belong to the same political party.

(3) Upon the expiration of the term of each member of the present board, and every four years thereafter, the Governor shall appoint a successor.

(4) The board shall be a body corporate under the corporate name "State Board of Agriculture" and shall have the usual corporate powers.

Section 2. Section 246.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Members of the board shall receive twenty-five dollars per day and actual traveling expenses while attending meetings of the board, but the total number of days the board may be in session shall not exceed thirty-six per year.

Section 3. WHEREAS, it is deemed by the General Assembly to be in the public interest that competent agriculturalists from the state-at-large be appointed to the State Board of Agriculture at the expiration of the present regular terms ending in March of this year;

NOW, THEREFORE, an emergency is hereby declared to exist and this act shall become effective immediately upon its passage and approval by the Governor.

SB 244, AN ACT relating to the creation of water commissions by cities and water districts for the joint acquisition, operation and financing of sources of supply of water.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this act, unless the context requires otherwise, "sources of supply of water" means and includes any or all of the following:

Wells, impounding reservoirs, standpipes, storage tanks, pumps, machinery, purification plants, softening apparatus, trunk mains and all other appurtenances useful in connection with developing and furnishing a supply of water under pressure into the water distribution systems of the cities or water districts which are represented by a commission created pursuant to the provisions of this act.

Section 2. In the interest of the public health and for the purpose of providing an adequate supply of water to cities and water districts any two or more cities or any two or more water districts organized under Chapter 74 of the Kentucky Revised Statutes or any combination of such cities and water districts may jointly acquire either by purchase or construction sources of supply of water and may operate jointly such sources of supply of water and improve and extend the same in the manner as provided in this act. The governing body of any city or water district desiring to avail themselves of the provisions of this act shall adopt a resolution or ordinance determining and electing to acquire and operate jointly sources of supply of water.

Section 3. Upon the adoption of such an ordinance or resolution by the governing body of each such city or water district a certified copy thereof shall be filed with the county court of the county in which the cities or water districts proposing the creation of the commission having the greatest aggregate population are situated and upon such filing the court shall by appropriate order set a date for a public hearing on the creation of such commission and shall give reasonable notice of such public hearing which notice may be given in the manner as provided by Chapter 424 of the Kentucky Revised Statutes. Any resident of the cities or water districts proposing the creation of the commission may file objections and at the public hearing if the court finds that the establishment of such a commission is reasonably necessary or advantageous for the public health, convenience and comfort of the residents of all such cities and water districts which proposed the creation of the commission it shall make an order establishing the commission and designating it by name which name shall include the words "Water Commission."

If the court does not find that the creation of a commission is reasonably necessary or advantageous it shall make an appropriate order in this regard. Any party in interest may thereupon appeal to the circuit court for a retrial, and from the circuit court to the Court of Appeals as provided by law or the cities and water districts may revise and readopt such ordinances or resolutions.

Section 4. After the county court has made an order creating a water commission the presiding officer of each of the cities or water districts which proposed the creation of said commission with the approval of the governing body thereof shall appoint one commissioner and if the number of commissioners so appointed by the presiding officers of such cities or water districts shall equal or exceed five, then no further commissioners shall be appointed and such commissioners shall be and constitute the water commission.

If the number of commissioners appointed by the presiding officers of such cities or water districts shall be less than five, then the county judge of the county court which entered the order creating the commission shall appoint such additional commissioners to said commission as shall be necessary to make the number of commissioners equal five. The commissioners so appointed shall constitute the commission which shall be a public corporation and a public body corporate and politic with the powers and duties specified in this act and which commission shall be a joint agency and instrumentality of the respective cities or water districts represented by said commission. The commission may in its corporate name contract and be contracted with, sue and be sued, adopt and alter at its pleasure a corporate seal and purchase, own, hold and dispose of all real and personal property as may be necessary for carrying out its corporate purpose under this act.

The commissioners originally appointed shall meet and select by lot their respective terms of office so that approximately one-third of the commissioners shall serve for a term of two years, a like number for a term of three years and the remaining commissioner or commissioners for a term of four years. Such terms shall be deemed to commence from the first day of the month during which the order of the county court creating the commission was entered.

Upon the expiration of the term of office of each of the commissioners a successor shall be appointed to succeed him for a term of four years and such appointment to be made in the same manner as the original appointment.

Each commissioner so appointed shall serve until their successors have been appointed and have qualified. Each commissioner shall be a resident of the cities or water districts which are represented by the commission. However, no person shall be eligible for appointment, if he has held an elective office in the State, any county or city, until one year after the expiration of the term for which he was last elected, and no officer or employe of any city, water district, political subdivision or other public body whether holding a paid or unpaid position shall be eligible for appointment as a commissioner. A commissioner is eligible for reappointment upon the expiration of his term. A vacancy shall be filled for the balance of the unexpired term in the same manner as that prescribed for the appointment of the person who has ceased to hold office. Each commissioner shall receive the same compensation which shall not be more than $500 per year, to be fixed by the commission and to be paid out of commission funds. Each commissioner shall furnish a bond for faithful performance of his official duties. This bond shall not be less than $5,000 and the amount thereof shall be fixed by the commission and its cost shall be paid by the commission.

Each commissioner may be removed by the official by whom he was appointed, for cause, after hearing by the appointing official and after at least ten days' notice in writing shall have been given to such commissioner, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the appointing official shall be final and removal results in vacancy in such office.

Section 5. Such a commission shall organize by appointing a chairman from its own members and a secretary and a treasurer, who need not be commissioners. The secretary shall keep a record of all proceedings of the commission which shall be available for inspection as other public records. The treasurer shall be the lawful custodian of all funds of the commission and shall pay same out on orders authorized or approved by the commission. The secretary and treasurer shall perform such other duties appertaining to the affairs of the commission and shall receive such salaries as shall be prescribed by the commission, and either or both may be required to furnish bonds in sums to be fixed by the commission for the use and benefit of the commission. The commission shall adopt its own rules of procedure and provide for its meetings. The commission shall have full and complete supervision, management and control of the sources of supply of water as provided in the ordinances or resolutions for acquiring and operating same, and in their maintenance, operation and extension. The commission is authorized to contract with cities or water districts which are represented by the commission for furnishing a supply of water to such parties for a period not exceeding fifty years and the governing bodies of such cities or water districts are authorized to enter into such contracts with the commission. For the purpose of acquiring all or any part of its sources of supply of water the commission is authorized to purchase from cities or water districts which are represented by the commission for mutually agreed terms without regard to actual value any sources of supply of water separate and apart from the water distribution systems of such parties and such cities or water districts are hereby authorized to convey such sources of supply of water to the commission without any election or voter approval notwithstanding any provision of any other law to the contrary; provided, however, in the event any such city or water district, has outstanding any obligations which by their terms are in any manner payable from the revenues of their waterworks distribution system, the proceeds received from any such conveyance shall be sufficient to retire all of such outstanding obligations including all interest accrued and to accrue thereon to the date of retirement thereof and such proceeds when received shall be set aside in a special fund and used for that purpose. The commission may appoint or contract for the services of officers, agents and employes, including engineers, attorneys, accountants, fiscal agents and other professional persons, prescribe their duties and fix their compensation.

Section 6. For the purpose of acquiring, either by purchase or construction, sources of supply of water or for making improvements and extensions to sources of supply of water such a commission is authorized to issue revenue bonds payable solely from the revenues to be derived pursuant to water supply contracts with the cities, water districts, political subdivisions or other public bodies as herein provided and for that purpose the commission may issue such revenue bonds and be vested with all of the powers, duties and responsibilities including the power of condemnation as are delegated and granted to a "governmental agency" under the terms and provisions of Chapter 58 of the Kentucky Revised Statutes as said law now exists or as it may hereafter be amended and under said law the term "governmental agency" means the "commission" and the term "public project" means "sources of supply of water."

Section 7. When a commission has been created the cities or water districts represented by the commission shall contract with the commission for water and said contracts may provide that the sources of supply of water of the commission shall be the exclusive water supply for the respective water distribution systems of said cities and water districts. These cities or water districts shall establish such charges and rates for water supplied by them to consumers as will be sufficient at all times.

(1) to pay the principal of and interest on all outstanding obligations of said cities or water districts which by their terms are payable in any manner from the revenues of their respective waterworks distribution systems, and

(2) to pay the cost of operation and maintenance of their respective waterworks distribution systems including the payments to be made to the commission pursuant to contracts for the purchase of water by those cities or water districts.

The commission shall establish such charges and rates for water supplied to those cities or water districts as will be sufficient at all times

(1) to pay the principal of and interest on the revenue bonds issued by the commission under the provisions of this act,

(2) to pay the cost of operation and maintenance of the sources of supply of water, and

(3) to provide an adequate fund for renewals, replacements and reserves.

Contracts entered into between the commission and the cities or water districts shall include covenants for the establishment of rates and charges as provided in this section.

Section 8. Such commission shall also have the right to supply water to any city, water district, political subdivision or other public body, in addition to the cities or water districts which are represented by the commission, upon such payments, terms and conditions as may be mutually agreed upon, provided, however, that no capital expenditures shall be made by the commission for the purpose of furnishing water to such other party or parties. Any such contract entered into to supply water to a city, water district, political subdivision, or other public body shall provide that payments to be made thereunder shall be solely from the revenues to be derived by such city, water district, political subdivision or other public body from the operation of the waterworks distribution system thereof and said contract shall be a continuing, valid and binding obligation of the city, water district, political subdivision or other public body, payable from such revenues for such period of years, not to exceed fifty, as may be provided in such contract. Any such contract shall not be a debt of any such city, water district, political subdivision or other public body within the meaning of any statutory or constitutional limitations.

Section 9. After the creation of a Water Commission provided for by this act a city or water district which did not participate in the creation of said Commission may participate in its operation and appoint a commissioner to serve on said commission in the following manner:

(1) The governing body of such city or water district shall adopt and file in the County Court which entered the order creating said commission an ordinance or resolution electing and requesting that it be permitted to be included in and represented by said commission

in the same manner and to the same extent as if said city or water district had originally participated in the creation of said commission.

(2) Upon such filing the court shall by appropriate order set a date for a public hearing on the inclusion of such a city or water district in said commission, and shall give notice of such public hearing in the manner as provided by Section 3 of this Act. Any resident of the city or water district at the time represented by said commission, and any resident of the city or water district requesting to be included in and represented by said commission and to participate in its operation may file objections, and at the public hearing if the court finds that the inclusion of such city or water district in said commission is reasonably necessary or advantageous for the public health, convenience and comfort of the residents of all cities and water districts represented by said commission, including the city or water district requesting to be included in said commission, and provided further that there shall be on file at the county court a resolution adopted by said commission evidencing its willingness to have such city or water district included in and represented by said commission the court shall make an order authorizing the inclusion of such city or water district in the commission. If the court does not find that the inclusion of such city or water district is reasonably necessary or advantageous it shall make an appropriate order in this regard. Any party in interest may thereupon appeal to the circuit court for a retrial and from the circuit court to the Court of Appeals as provided by law.

(3) Upon the entering of the order by the county court authorizing the inclusion of such city or water district in said commission the number of commissioners, if any, to be appointed to said commission by the county court shall be reduced by one and the presiding officer, with the approval of the governing body of the city or water district which shall by virtue of said proceedings be included in and represented by said commission, shall appoint a commissioner whose term shall begin at the expiration of the term of the commissioner appointed by the county court whose term shall first expire. In the event there is no commissioner on said commission appointed by the county court the term of the commissioner appointed by the presiding officer of such city or water district shall be fixed so that the terms of approximately one-third of the commissioners will expire in each year.

Section 10. Inasmuch as the activities of a commission created pursuant to this act are limited to the supply of water under contract to cities, water districts, political subdivisions or other public bodies as herein provided and such a commission has no authority to supply water to individual private consumers such a commission shall not be deemed to constitute a "utility" or "person" within the meaning and application of Chapter 278 of the Kentucky Revised Statutes and a

Commission shall not be required to obtain a certificate of convenience and necessity from the Public Service Commission of Kentucky prior to the construction of any sources of supply of water nor shall said Public Service Commission have any jurisdiction over the operation, management and control of any sources of supply of water acquired by such a commission or any power or authority in connection with the rates and charges established by such a commission pursuant to contracts with the cities, water districts, political subdivisions or other public bodies as herein otherwise provided.

Section 11. This act shall constitute full and complete authority for the creation of water commissions and for carrying out the powers and duties of same as herein provided. The provisions of this act shall be liberally construed to accomplish its purpose and no procedure or proceedings, notices, consents or approvals, shall be required in connection therewith except as may be prescribed by this act. Every water commission organized under this act is declared to be a public body created and functioning in the interest and for the benefit of the public, and its property and income and any bonds issued by it and income therefrom shall be exempt from taxation.

Section 12. If any clause, sentence, paragraph or part of this act shall for any reason, be adjudged by any court of competent jurisdiction to be invalid or unenforceable such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, paragraph or part hereof, directly involved in the controversy in which such judgment shall have been rendered.

Section 13. Insofar as the provisions of this act are inconsistent with the provisions of any other law, the provisions of this act shall control.

SB 245, AN ACT concerning the licensing, regulation and inspection of Homes for the Aged and Infirm.

WHEREAS, for some years the Department of Economic Security has had the authority to license private or public institutions which accept or have facilities available to public assistance recipients, in order to insure that reasonable standards might be maintained for the health and welfare of residents thereof, and

WHEREAS, the increased numbers of aged people in our society is resulting in an increase in the number of personal care homes, with the result that a more specific standard should be established for these homes in order that the residents therein may be properly protected,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The general welfare of our aged, chronically ill or infirm citizens is of prime concern to the people of this state. Therefore, the purpose of this Act is to protect and provide for the general welfare of said citizens by promoting safe and adequate accommodation, care and treatment.

Section 2. The following words and phrases when used in this Act shall have the meanings respectively ascribed to them in this section.

(1) "Home" means, and shall be construed to include any building, structure, agency, institution or other facility not operated by a Federal, State, county or municipal government and which cares for four or more aged or infirm persons, not related to the operator, for twenty-four or more hours in any week. The existence of any such place shall constitute prima facie evidence that it is a home. As used in this Act, the term home shall include but not be limited to:

(a) "Nursing home" means a facility which provides routine medical care in which physicians regularly visit patients, which provides nursing services and procedures employed in and caring for the sick which require training, judgment, technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care.

(b) "Personal Care Home" means a place devoted primarily to the maintenance and operation of facilities for the care of aged or invalid persons who do not require the intensive care normally provided in a hospital or nursing home but who do require care in excess of room, board and laundry.

(2) The term "Persons" means any individual, firm, partnership, corporation, company, association or joint stock association and the legal successor thereof.

(3) The term "Department" means the Department of Economic Security.

(4) The term "Commissioner" means the Commissioner of the Department of Economic Security.

Section 3. All homes shall make provisions for and comply with reasonable standards established by the Department for fire protection and safety, plumbing and sanitation, lighting, heating and ventilation, living arrangements, diet and health facilities, and such other factors as may be necessary to promote the health and welfare of the residents cared for.

Section 4. The Commissioner shall have the power and authority to adopt, amend, and promulgate such rules, regulations and standards as he deems necessary or suitable for the proper administration of this Act, within the limitations and for the purposes described in Section 3 hereof. Any nursing home or hospital licensed under the provisions of Chapter 216 of the Kentucky Revised Statutes shall be entitled to the automatic issuance of a license under this Act, upon receipt of such information as the Commissioner may require concerning it.

Section 5. Inspections of homes shall be made as required by the Commissioner and in accordance with the rules and regulations adopted and promulgated hereunder. Reports of such inspections shall be made in writing and shall be filed with the Commissioner. Free access for inspection shall be given to the home premises at any time.

Section 6. It shall be unlawful for any person to conduct, maintain or operate a home within this state without a license obtained for that purpose from the Department.

(1) An application for a license for a home shall be made in writing to the Department upon forms provided by it and shall be in such form and shall contain such information as the Department requires. Such application shall be signed by the owner or person responsible for the operation of the home, or by the duly authorized officer or responsible agent thereof.

(2) Upon receipt of an application for a license, the Department shall issue a license if the applicant and the home meet the requirements established by the Department.

(3) A license to operate a home shall expire at the end of the fiscal year in which it is issued. It shall not be assignable or transferable, shall be issued only for the person and premises named in the application, shall be posted in a conspicuous place in the home, and may be renewed annually in accordance with such rules and regulations as the Commissioner may promulgate relative to the renewal of such licenses.

(4) All Certificates of Approval issued by the Department of Economic Security for homes which are in force upon the taking effect of this Act shall continue in force until the date of expiration, unless sooner revoked as provided in this Act.

Section 7. A provisional license may be issued to any home which is temporarily unable to conform to all the rules, regulations and standards established under this Act provided that the issuance of such provisional license shall be approved by other state agencies or authorities authorized by law to adopt, amend and promulgate rules, regulations and standards pertaining to all homes to be licensed by this Act. A provisional license shall remain in effect for a period of time prescribed by the Commissioner but not to exceed twelve months from the date of issuance, provided that the licensee shows evidence of good faith in his efforts to conform to the rules, regulations and standards established under this Act. No more than one Provisional License shall be issued to the same applicant within a three-year period.

Section 8. The Commissioner may deny, suspend or revoke a license on any of the following grounds:

(1) Failure to meet or violation of any of the provisions of this Act or the rules and regulations lawfully promulgated pursuant thereto;

(2) Permitting, aiding or abetting the commission of any illegal or immoral act in the home;

(3) Conduct or practice found by the Commissioner to be detrimental to the welfare of the residents of the home.

Section 9. (1) In any case where the Department refuses to issue, or suspends or revokes a license, written notice shall be given to the applicant or licensee by registered mail, stating the proposed action and grounds therefor, and notifying the applicant or licensee that such license will be refused or revoked unless the applicant or licensee makes application for a hearing before the Commissioner within ten (10) days of such notice. If application for such hearing is made, the Commissioner shall set a time for the hearing, of which ten days' notice shall be given to the applicant or licensee and at the hearing the applicant or licensee shall be entitled to be heard in person or by counsel, and to present witnesses. Following the hearing, the Commissioner shall render a decision in writing setting forth his findings of fact and conclusions of law, and affirming, modifying or setting aside the findings of the Department, and shall send a copy thereof to the applicant or licensee by registered mail.

(2) Within twenty (20) days after such decision, any party aggrieved thereby may secure judicial review thereof by filing a petition for review against the Commissioner in the Circuit Court of Franklin County. The petition shall state fully the grounds upon which review is sought, assign all errors relied on, and shall be verified by the petitioner.

With his answer, the Commissioner shall certify and file with the Court all documents and papers, and a transcript of all testimony taken in the matter, and orders made therein, together with the findings of fact and decision therein. If consented to by the petitioner, an abstract of any portion of the record may be certified by the Commissioner in lieu of certifying such portions of the record in full.

The Court in its review of such action shall hear the record as certified by the Commissioner and no other evidence shall be received.

The Court shall dispose of the cause in a summary manner, limiting its decision to a determination of whether or not:

(a) There was sufficient probative evidence to support the Commissioner's order.

(b) The regulations upon which the order was based are reasonable.

(c) The Commissioner acted arbitrarily, unlawfully, or in such a manner as to constitute an abuse of discretion.

The Court shall enter judgment affirming, modifying or setting aside the order, or decision, or in its discretion remanding the cause to the Commissioner for further proceedings in conformity with the direction of the Court.

Section 10. Any person conducting, maintaining or operating, or participating in the conducting, maintenance, or operations of a home in this state without a license under this law shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $100.00 for the first offense and not less than $50.00 nor more than $100.00 for each subsequent offense, and each day of continuing violation shall be considered a separate offense.

Section 11. Notwithstanding the existence or pursuit of any other remedy, the Department may in the manner provided by law, maintain an action in the name of the State of Kentucky for injunction or other process against any person or agency to restrain or prevent the establishment, conduct, management or operation of a home without a license under this Act. In any such court proceedings, the Department may apply for and on due showing be entitled to have issued the court's subpoena requiring forthwith the appearance of any defendant and his employees, and the production of documents, books and records as may appear necessary for the hearing of such petition, to testify and give evidence concerning the acts or conduct or things complained of in such application for injunction. In such action the equity courts shall have jurisdiction of the subject matter and a judgment may be entered awarding injunctions as may be proper.

Section 12. KRS 205.300 is hereby repealed.

Section 13. This Act shall become effective on July 1, 1960.

SB 246, WHEREAS, juveniles who are not under proper supervision and control, or who have absconded, escaped or run away, are likely to endanger their own health, morals and welfare, and the health, morals and welfare of others; and

WHEREAS, the cooperation of this state with other states is necessary to provide for the welfare and protection of juveniles and of the people of this state; and

WHEREAS, it should therefore be the policy of this state, in adopting the Interstate Compact on Juveniles, to cooperate fully with other states: (1) in returning juveniles to such other states whenever their return is sought; and (2) in accepting the return of juveniles whenever a juvenile residing in this state is found or apprehended in another state and in taking all measures in initiate proceedings for the return of such juveniles,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The governor is hereby authorized and directed to execute a compact on behalf of this state with any other state or states legally joining therein in the form substantial as follows:

INTERSTATE COMPACT ON JUVENILES

The contracting states solemnly agree:

ARTICLE I—Findings and Purposes

That juveniles who are not under proper supervision and control, or who have absconded, escaped or run away, are likely to endanger their own health, morals and welfare, and the health, morals and welfare of others. The cooperation of the states party to this compact is therefore necessary to provide for the welfare and protection of juveniles and of the public with respect to (1) cooperative supervision of delinquent juveniles on probation or parole; (2) the return, from one state to another, of delinquent juveniles who have escaped or absconded; (3) the return, from one state to another, of non-delinquent juveniles who have run away from home; and (4) additional measures for the protection of juveniles and of the public, which any two or more of the party states may find desirable to undertake cooperatively. In carrying out the provisions of this compact the party states shall be guided by the non-criminal reformative and protective policies which guide their laws concerning delinquent, neglected or dependent juveniles generally. It shall be the policy of the states party to this compact to cooperate and observe their respective responsibilities for the prompt return and acceptance of juveniles and delinquent juveniles who become subject to the provisions of this compact. The provisions of this compact shall be reasonably and liberally construed to accomplish the foregoing purposes.

ARTICLE II—Existing Rights and Remedies

That all remedies and procedures provided by this compact shall be in addition to and not in substitution for other rights, remedies and procedures, and shall not be in derogation of parental rights and responsibilities.

ARTICLE III—Definitions

That, for the purpose of this compact, "delinquent juvenile" means any juvenile who has been adjudged delinqunt and who, at the time the provisions of this compact are invoked, is still subject to the jurisdiction of the court that has made such adjudication or to the jurisdiction or supervision of an agency or institution pursuant to an order of such court; "probation or parole" means any kind of conditional release of juveniles authorized under the laws of the states party hereto; "court" means any court having jurisdiction over delinquent, neglected or dependent children; "state" means any state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and "residence" or any variant thereof means a place at which a home or regular place of abode is maintained.

ARTICLE IV—Return of Runaways

(a) That the parent, guardian, person or agency entitled to legal custody of a juvenile who has not been adjudged delinquent but who has run away without the consent of such parent, guardian, person or agency may petition the appropriate court in the demanding state for the issuance of a requisition for his return. The petition shall state the name and age of the juvenile, the name of the petitioner and the basis of entitlement to the juvenile's custody, the circumstances of his running away, his location if known at the time application is made, and such other facts as may tend to show that the juvenile who has run away is endangering his own welfare or the welfare of others and is not an emancipated minor. The petition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the document or documents on which the petitioner's entitlement to the juvenile's custody is based, such as birth certificates, letter of guardianship, or custody decrees. Such further affidavits and other documents as may be deemed proper may be submitted with such petition. The judge of the court to which this application is made may hold a hearing thereon to determine whether for the purpose of this compact the petitioner is entitled to the legal custody of the juvenile, whether or not it appears that the juvenile has in fact run away without consent, whether or not his is an emancipated minor, and whether, or not it is in the best interest of the juvenile to compel his return to the state. If the judge determines, either with or without a hearing, that the juvenile should be returned, he shall present to the appropriate court or to the executive authority of the state where the juvenile is alleged to be located a written requisition for the return of such juvenile. Such requisition shall set forth the name and age of the juvenile, the determination of the court that the juvenile has run away without the consent of a parent, guardian, person or agency entitled to his legal custody, and that it is in the best interest and for the protection of such juvenile that he be returned. In the event that a proceeding for the adjudication of the juvenile as a delinquent, neglected or dependent juvenile is pending in the court at the time when such juvenile runs away, the court may issue a requisition for the return of such juvenile upon its own motion, regardless of the consent of the parent, guardian, person or agency entitled to legal custody, reciting therein the nature and circumstances of the pending proceeding. The requisition shall in every case be executed in duplicate and shall be signed by the judge. One copy of the requisition shall be filed with the compact administrator of the demanding state, there to remain on file subject to the provisons of law governing records of such court. Upon the receipt of a requisition demanding the return of a juvenile who has run away, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing him to take into custody and detain such juvenile. Such detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No juvenile detained upon such order shall be delivered over to the officer whom the court demanding him shall have appointed to receive him, unless he shall first be taken forthwith before a judge of a court in the state, who shall inform him of the demand made for his return, and who may appoint counsel or guardian ad litem for him. If the judge of such court shall find that the requisition is in order, he shall deliver such juvenile over to the officer whom the court demanding him shall have appointed to receive him. The judge, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

Upon reasonable information that a person is a juvenile who has run away from another state party to this compact without the consent of a parent, guardian, person or agency entitled to his legal custody, such juvenile may be taken into custody without a requisition and brought forthwith before a judge of the appropriate court who may appoint counsel or guardian ad litem for such juvenile and who shall determine after a hearing whether sufficient cause exists to hold the person, subject to the order of the court, for his own protection and welfare, for such a time not exceeding 90 days as will enable his return to another state party to this compact pursuant to a requisition for his return from a court of that state. If, at the time when a state seeks the return of a juvenile who has run away, there is pending in the state wherein he is found any criminal charge, or any proceeding to have him adjudicated a delinquent juvenile for an act committed in such state, or if he is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, he shall not be returned without the consent of such state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the juvenile being returned, shall be permitted to transport such juvenile through any and all states party to this compact, without interference. Upon his return to the state from which he ran away, the juvenile shall be subject to such further proceedings as may be appropriate under the laws of that state.

(b) That the state to which a juvenile is returned under this Article shall be responsible for payment of the transportation cost of such return.

(c) That "juvenile" as used in this Article means any person who is a minor under the law of the state of residence of the parent, guardian, person or agency entitled to the legal custody of such minor.

ARTICLE V—Return of Escapees and Absconders

(a) That the appropriate person or authority from whose probation or parole supervision a delinquent juvenile has absconded or from whose institutional custody he has escaped shall present to the appropriate court or to the executive authority of the state where the delinquent juvenile is alleged to be located a written requisition for the return of such delinquent juvenile. Such requisition shall state the name and age of the delinquent juvenile, the particulars of his adjudication as a delinquent juvenile, the circumstances of the breach of the terms of his probation or parole or of his escape from an institution or agency vested with his legal custody or supervision, and the location of such delinquent juvenile, if known, at the time the requisition is made. The requisition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the judgment, formal adjudication, or order of commitment which subjects such delinquent juvenile to probation or parole or to the legal custody of the institution or agency concerned. Such further affidavits and other documents as may be deemed proper may be submitted with such requisition. One copy of the requisition shall be filed with the compact administrator of the demanding state, there to remain on file subject to the provisions of law governing records of the appropriate court. Upon the receipt of a requisition demanding the return of a delinquent juvenile who has absconded or escaped, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing him to take into custody and detain such delinquent juvenile. Such detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No delinquent juvenile detained upon such order shall be delivered over to the officer whom the appropriate person or authority demanding him shall have appointed to receive him, unless he shall first be taken forthwith before a judge or an appropriate court in the state, who shall inform him of the demand made for his return and who may appoint counsel or guardian ad litem for him. If the judge of such court shall find that the requisition is in order, he shall deliver such delinquent juvenile over to the officer whom the appropriate person or authority demanding him shall have appointed to receive him. The judge, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

Upon reasonable information that a person is a delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with his legal custody or supervision in any state party to this compact, such person may be taken into custody in any other state party to this compact without a requisition. But in such event, he must be taken forthwith before a judge of the appropriate court, who may appoint counsel or guardian ad litem for such person and who shall determine, after a hearing, whether sufficient cause exists to hold the person subject to the order of the court for such a time, not exceeding 90 days, as will enable his detention under a detention order issued on a requisition pursuant to this Article. If, at the time when a state seeks the return of a delinquent juvenile who has either absconded while on probation or parole or escaped from an institution or agency vested with his legal custody or supervision, there is pending in the state wherein he is detained any criminal charge or any proceeding to have him adjudicated a delinquent juvenile for an act committed in such state, or if he is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, he shall not be returned without the consent of such state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the delinquent juvenile being returned, shall be permitted to transport such delinquent juvenile through any and all states party to this compact, without interference. Upon his return to the state from which he escaped or absconded, the delinquent juvenile shall be subject to such further proceedings as may be appropriate under the laws of that state.

(b) That the state to which a delinquent juvenile is returned under this Article shall be responsible for payment of the transportation costs of such return.

ARTICLE VI—Voluntary Return Procedure

That any delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with his legal custody or supervision in any state party to this compact, and any juvenile who has run away from any state party to this compact, who is taken into custody without a requisition in another state party to this compact under the provisions of Article IV (a) or of Article V (a) may consent to this immmediate return to the state from which he absconded, escaped or ran away. Such consent shall be given by the juvenile or delinquent juvenile and his counsel or guardian ad litem if any, by executing or subscribing a writing, in the presence of a judge of the appropriate court, which states that the juvenile or delinquent juvenile and his counsel or guardian ad litem, if any, consent to this return to the demanding state. Before such consent shall be executed or subscribed, however, the judge, in the presence of counsel or guardian ad litem, if any, shall inform the juvenile or delinquent juvenile of his rights under this compact. When the consent has been duly executed, it shall be forwarded to and filed with the compact administrator of the state in which the court is located and the judge shall direct the officer having the juvenile or delinquent juvenile in custody to deliver him to the duly accredited officer or officers of the state demanding his return, and shall cause to be delivered to such officer or officers a copy of the consent. The court may, however, upon the request of the state to which the juvenile or delinquent juvenile is being returned, order him to return unaccompanied to such state and shall provide him with a copy of such court order; in such event a copy of the consent shall be forwarded to the compact administrator of the state to which said juvenile or delinquent juvenile is ordered to return.

ARTICLE VII—Cooperative Supervision of Probationers and Parolees

(a) That the duly constituted judicial and administrative authorities of a state party to this compact (herein called "sending state") may permit any delinquent juvenile within such state, placed on probation or parole, to reside in any other state party to this compact (herein called "receiving state") while on probation or parole, and the receiving state shall accept such delinquent juvenile, if the parent, guardian or person entitled to the legal custody of such delinquent juvenile is residing or undertakes to reside within the receiving state. Before granting such permission, opportunity shall be given to the receiving state to make such investigations as it deems necessary. The authorities of the sending state shall send to the authorities of the receiving state copies of pertinent court orders, social case studies and all other available information which may be of value to and assist the receiving state in supervising a probationer or parolee under this compact. A receiving state, in its discretion, may agree to accept supervision of a probationer or parolee in cases where the parent, guardian or person entitled to the legal custody of the delinquent juvenile is not a resident of the receiving state, and if so accepted the sending state may transfer supervision accordingly.

(b) That each receiving state will assume the duties of visitation and of supervision over any such delinquent juvenile and in the exercise of those duties will be governed by the same standards of visitation and supervision that prevail for its own delinquent juveniles released on probation or parole.

(c) That, after consultation between the appropriate authorities of the sending state and of the receiving state as to the desirability and necessity of returning such a delinquent juvenile, the duly accredited officers of a sending state may enter a receiving state and there apprehend and retake any such delinquent juvenile on probation or parole. For that purpose, no formalities will be required, other than establishing the authority of the officer and the identity of the delinquent juvenile to be retaken and returned. The decision of the sending state to retake a delinquent juvenile on probation or parole shall be conclusive upon and not reviewable within the receiving state, but it, at the time the sending state seeks to retake a delinquent juvenile on probation or parole, there is pending against him within the receiving state any criminal charge or any proceeding to have him adjudicated a delinquent juvenile for any act committed in such state, or if he is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, he shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of the sending state shall be permitted to transport delinquent juveniles being so returned through any and all states party to this compact, without interference.

(d) That the sending state shall be responsible under this Article for paying the costs of transporting any delinquent juvenile to the receiving state or of returning any delinquent juvenile to the sending state.

ARTICLE VIII—Responsibility for Costs

(a) That the provisions of Articles IV (b), V (b) and VII (d) of this compact shall not be construed to alter or affect any internal relationship among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

(b) That nothing in this compact shall be construed to prevent any party state or subdivision thereof from asserting any right against any person, agency or other entity in regard to costs for which such party state or subdivision thereof may be responsible pursuant to Articles IV (b), V (b) or VII (d) of this compact.

ARTICLE IX—Detention Practices

That, to every extent possible, it shall be the policy of states party to this compact that no juvenile or delinquent juvenile shall be placed or detained in any prison, jail or lockup nor be detained or transported in association with criminal, vicious or dissolute persons.

ARTICLE X—Supplementary Agreements

That the duly constituted administrative authorities of a state party to this compact may enter into supplementary agreements with any other state or states party hereto for the cooperative care, treatment and rehabilitation of delinquent juveniles whenever they shall find that such agreements will improve the facilities or programs available for such care, treatment and rehabilitation. Such care, treatment and rehabilitation may be provided in an institution located within any state entering into such supplementary agreement. Such supplementary agreements shall (1) provide the rates to be paid for the care, treatment and custody of such delinquent juveniles, taking into consideration the character of facilities, services and subsistence furnished; (2) provide that the delinquent juvenile shall be given a court hearing prior to his being sent to another state for care, treatment and custody; (3) provide that the state receiving such a delinquent juvenile in one of its institutions shall act solely as agent for the state sending such delinquent juvenile; (4) provide that the sending state shall at all times retain jurisdiction over delinquent juveniles sent to an institution in another state; (5) provide for reasonable inspection of such institutions by the sending state; (6) provide that the consent of the parent, guardian, person or agency entitled to the legal custody of said delinquent juvenile shall be secured prior to his being sent to another state; and (7) make provision for such other matters and details as shall be necessary to protect the rights and equities of such delinquent juveniles and of the cooperating states.

ARTICLE XI—Acceptance of Federal and Other Aid

That any state party to this compact may accept any and all donations, gifts and grants of money, equipment and services from the federal or any local government, or any agency thereof and from any person, firm or corporation, for any of the purposes and functions of this compact, and may receive and utilize the same subject to the terms, conditions and regulations governing such donations, gifts and grants.

ARTICLE XII—Compact Administrators

That the governor of each state party to this compact shall designate an officer who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more effectively the terms and provisions of this compact.

ARTICLE XIII—Execution of Compact

That this compact shall become operative immediately upon its execution by any state as between it and any other state or states so executing. When executed it shall have the full force and effect of law within such state, the form of execution to be in accordance with the laws of the executing state.

ARTICLE XIV—Renunciation

That this compact shall continue in force and remain binding upon each executing state until renounced by it. Renunciation of this compact shall be by the same authority which executed it, by sending six months' notice in writing of its intention to withdraw from the compact to the other states party hereto. The duties and obligations of a renouncing state under Article VII hereof shall continue as to parolees and probationers residing therein at the time of withdrawal until retaken or finally discharged. Supplementary agreements entered into under Article X hereof shall be subject to renunciation as provided by such supplementary agreements, and shall not be subject to the six months' renunciation notice of the present Article.

ARTICLE XV—Severability

That the provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and hte applicability thereof to any government, agency, person or circumstances shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

Section 1. **Juvenile Compact Administrator.** Pursuant to said compact, the governor is hereby authorized and empowered to designate an officer who shall be the compact administrator and who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more effectively the terms of the compact. Said compact administrator shall serve subject to the pleasure of the governor. The compact administrator is hereby authorized, empowered and directed to cooperate with all departments, agencies and officers of and in the government of this state and its subdivisions in facilitating the proper administration of the compact or of any supplementary afreement or agreements entered into by this thereunder.

Section 2. **Supplementary Agreements.** The compact administrator is hereby authorized and empowered to enter into supplementary agreements with appropriate officials of other states pursuant to the compact. In the event that such supplementary agreement shall require or contemplate the use of any institution or facility of this state or require or contemplate the provision of any service by this state, said supplementary agreement shall have no force or effect until approved by the head of the department or agency under whose jurisdiction said institution or facility is operated or whose department or agency will be charged with the rendering of such service.

Section 3. **Financial Arrangements.** The compact administrator, subject to the approval of the Commissioner of Finance, may make or arrange for any payments necessary to discharge any financial obligations imposed upon this state by the compact or by any supplementary agreement entered into thereunder.

Section 4. **Responsibilities of State Departments, Agencies and Officers.** The courts, departments, agencies and officers of this state and its subdivisions shall enforce this compact and shall do all things appropriate to the effectuation of its purposes and intent which may be within their respective jurisdictions.

Section 5. **Additional Procedures Not Precluded.** In addition to any procedure provided in Articles IV and VI of the compact for the return of any runaway juvenile, the particular states, the juvenile or his parents, the courts, or other legal custodian involved may agree upon and adopt any other plan or procedure legally authorized under the laws of this state and the other respective party states for the return of any such runaway juvenile.

Section 6. **Execution of Additional Article.** The governor is further authorized and directed to execute, with any other state or states legally joining in the same, an additional article to said compact in the form substantially as follows:

That this article shall provide additional remedies, and shall be binding only as among and between those party states which specifically execute the same.

For the purposes of this article, "child", as used herein, means any minor within the jurisdictional age limits of any court in the home state.

When any child is brought before a court of a state of which such child is not a resident, and such state is willing to permit such child's return to the home state of such child, such home state, upon being so advised by the state in which such proceeding is pending, shall immediately institute proceedings to determine the residence and jurisdictional facts as to such child in such home state, and upon finding that such child is in fact a resident of said state and subject to the jurisdiction of the court thereof, shall within five days authorize the return of such child to the home state, and to the parent or custodial agency legally authorized to accept such custody in such home state, and at the expense of such home state, to be paid from such funds as such home state may procure, designate, or provide, prompt action being of the essence.

Section 7. **Execution of Amendment.** The governor is further authorized and directed to execute, with any other state or states legally joining in the same, an amendment to said compact in the form substantially as follows:

Amendment to the Interstate Compact on Juveniles,
Concerning Interstate Rendition of Juveniles
Alleged to be Delinquent

(a) This amendment shall provide additional remedies, and shall be binding only as among and between those party states which specifically execute the same.

(b) All provisions and procedures of Article V and VI of the Interstate Compact on Juveniles shall be construed to apply to any juvenile charged with being a delinquent by reason of a violation of any criminal law. Any juvenile, charged with being a delinquent by reason of violating any criminal law shall be returned to the requesting state upon a requisition to the state where the juvenile may be found. A petition in such case shall be filed in a court of competent jurisdiction in the requesting state where the violation of criminal law is alleged to have been committed. The petition may be filed regardless of whether the juvenile has left the state before or after the filing of the petition. The requisition described in Article V of the compact shall be forwarded by the judge of the court in which the petition has been filed.

HB 168, AN ACT providing for the orderly review of the provisions of the Constitution of the Commonwealth, and making an appropriation, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) A Constitution Revision Committee is hereby created as an

agency of the Legislative Research Commission to carry on a program of study, review, examination and exposition of the Constitution of Kentucky, in connection with the action taken by the 1959 Extraordinary Session of the 1958 General Assembly in enacting House Bill No. 1, and the amendatory provisions thereof. The program shall be so designed and carried on as to conduct any and all reasonable and appropriate studies, surveys, analyses, and reports pertaining to or having a bearing thereon; to analyze and appraise such suggestions for amendment or revision as may be made by any person or persons, groups, or organizations pertaining to or in opposition thereto; and to bring to public attention such proposals for revision or amendment of the Constitution in accordance herewith. The Committee shall prepare and propose in detail to the Legislative Research Commission from time to time such drafts, amendments, or revisions of the Constitution as will promote the interest and welfare of the Commonwealth, and shall make such drafts public.

(2) The Committee shall be composed of seven members, to be appointed by the Governor with due consideration to representation of the varied professional, social and economic interests. The Attorney General shall serve ex-officio, without vote, as an additional member. The terms of the members initially appointed shall extend through the 15th day of December, 1960, and their successors shall be appointed for one year terms. All members shall be eligible for reappointment and shall serve until their successors have been appointed and qualified. Vacancies occurring prior to the expiration of a term shall be filled by the Governor for the remainder of the unexpired term. The Committee, upon its appointment and annually thereafter, shall elect from its membership a Chairman and a Co-Chairman. The Committee shall meet not less frequently than quarterly at times and places fixed by it and upon call by the Chairman or, in his absence, the Co-Chairman at such other times as may be necessary to carry out its duties and shall publish such report or reports of its activities as the Committee deems necessary, subject, however, to the provisons of subsection (1) above.

(3) The members of the Committee shall serve without compensation but shall be reimbursed for their necessary and actual expenses in attending meetings of the Committee and otherwise in the performance of their duties from funds appropriated to the Legislative Research Commission for the purposes of this Act (or otherwise made available for Committee use).

(4) The Committee with the approval of the Legislative Research Commission may employ and may remove an Executive Director to be responsible for directing and coordinating research studies for the Committee and for seeking assistance and advice of interested persons or groups. The Executive Director shall be a person who has demonstrated an interest in and knowledge of Kentucky constitu-

tional development. The Committee may employ such other personnel as may be reasonably necessary to carry out the work of the Committee. Expenditures under this Act shall be paid upon vouchers approved by the Director of the Legislative Research Commission from appropriations made to the Legislative Research Commission for the purposes of this Act.

(5) The Committee shall, not later than August 1, 1960, and not less frequently than annually thereafter, schedule and announce publicly in advance open hearings at which any person, either individually or as a representative of a group, may present suggestions for constitutional change. A summation of the suggestions presented at such hearings shall be included in each annual report of the Committee.

(6) The Committee shall, by September 15th of each year, report to the Legislative Research Commission on the result of its studies and deliberations during the year. This report shall be published by the Legislative Research Commission no later than the 1st day of October, and such reports shall be transmitted to the incumbent members of and candidates for election to the General Assembly. Reports shall be published in such quantities as to permit distribution to all public agencies, educational institutions, and private groups with demonstrated interest therein. If a Convention shall be held to revise the Constitution, pursuant to the Act of the 1959 Extraordinary Session of the 1958 General Assembly, the Committee shall advise and assist that body insofar as it is practicable, and shall report to it when requested.

(7) The Governor is authorized to appoint such additional study committees to assist and report to the Constitution Revision Committee as he deems necessary or appropriate for the purpose of investigating, study, analyzing, reviewing, reporting and making recommendations as to changes in the provisions of the Constitution of the Commonwealth of Kentucky pertaining to the twelve subjects set forth in House Bill No. 1 of the 1959 Extraordinary Session of the 1958 General Assembly.

Section 2. There shall also be a council, to consist of the representatives nominated by such private citizens' groups and organizations as the Governor may designate, such nominees to be appointed by the Governor. The Committee shall make available to such groups and organizations drafts of proposed amendments and copies of such reports as are published, and shall receive suggestions and recommendations from same, through their representative members on the council.

Section 3. Section 7.160 of the Kentucky Revised Statutes is hereby repealed.

Section 4. For the purposes of this Act, for the expenses of the Committee, and the staff appointed pursuant to this Act there is appropriated to the Legislative Research Commission out of the General

Expenditure Fund in the State Treasury the sum of $7,500 for the remainder of the fiscal year 1959-1960, the sum of $20,000 for the fiscal year 1960-1961, and the sum of $20,000 for the fiscal year 1961-1962. Any unexpended balance remaining on June 30, 1961, shall not lapse but shall be available for expenditure during the following fiscal year.

Section 5. Whereas, the 1958 General Assembly in an Extraordinary Session held in December, 1959, initiated action which, if concurred in by this General Assembly, will require that a vote of the people be taken on certain revision of the Constitution at the general election of November, 1960, and whereas it is desirable that adequate time be provided to inform the people of the Commonwealth on the matters to be voted on and that study thereof be made by the Committee created herein; an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 270, AN ACT relating to the assessment of public utilities by the Public Service Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 278.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) For the purpose of maintaining the Public Service Commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the commission shall each year assess the necessary amount upon the utilities in proportion to their gross earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year, and shall notify each utility on or before May 31 of the amount assessed against it. The total amount so assessed shall not in any year exceed $400,000, and the sum paid by each utility shall not be less than $5 in any one year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities.

Section 2. Since the increased assessment is needed for the coming fiscal year, and the effective date would not be in time for the added assessment, an emergency is declared to exist and this bill will become effective from and after the time it is passed and approved by the Governor.

HB 274, AN ACT relating to voting machines.

WHEREAS, it is deemed essential to eliminate the antiquated manner in which elections are now being conducted in many parts of the state where voting machines are not used, and to provide a public project and plan for the purchase of such machines by the various counties under a rent-purchase, lease-option contract with a state agency, so that they will be available for use while being paid for through annual rentals by said counties.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Commission" means the State Property and Buildings Commission, or, if said commission shall be abolished, the department, board, body or commission succeeding to the principal functions thereof, or to whom the powers given by this Act shall be given by law.

(2) "Project," or the words, "Voting machine project," mean a public project as defined in KRS Chapter 58.

(3) "Bonds," or the words, "Voting machine first mortgage revenue bonds," mean Commonwealth of Kentucky, State property and Buildings Commission, voting machine first mortgage revenue bonds issued in accordance with the provisions of this Act.

(4) "Sinking Fund" means a fund to be set aside and held separate and apart from all other funds of the State or of the Commission, into which the income and revenues of a voting machine project, including rents, royalties, fees and proceeds of sale of voting machines, are to be deposited and earmarked to meet the principal and interest requirements on any bonds issued under this Act.

(5) "Sinking Fund Reserve" means a fund to be set aside and held separate and apart from all other funds of the State or of the Commission, to be held as a reserve against any default in principal or interest payments on such bonds, and to be earmarked, to the extent not otherwise used, to payment of requirements on such bonds during the latest years of maturities thereof, as may be specified in the instruments provided for in this Act.

(6) "Cost" means the cost of purchase of voting machines, any advertising expenses in connection therewith, the cost of freight and transportation, the cost of preparing, issuing, selling or exchanging first mortgage revenue bonds as provided for in this Act, any capitalized interest expense during an initial period of not exceeding twelve months, to any extent needed during a period necessary to obtain delivery of any voting machines, a Sinking Fund Reserve, and shall further embrace and include all expenses, including legal fees, in connection therewith.

(7) "Voting machine" means a mechanically operated device used for counting and recording votes which complies with specifications enumerated in KRS 125.040.

Section 2. The Commission shall purchase voting machines meeting all of the specifications and requirements of KRS Chapter 125 for each county contracting for same as provided in this Act, and shall have the following powers and duties:

(1) To determine the comparative needs and demands for voting machines by the various counties in the state.

(2) To expend such portions of the capital outlay appropriations made available to it by the Commonwealth of Kentucky, as may be specified by law, for the purpose of acquiring voting machines, and for matching Federal funds as same may be available under any Federal law now existing or hereafter enacted, for the purchase or acquisition of voting machines.

(3) To purchase, lease (with option to renew), rent, pledge the revenues of, or mortgage such voting machines as the Commission may find to be necessary, upon such terms and conditions and for such consideration as may appear to the Commission to be fair and reasonable.

(4) To issue and sell its first mortgage revenue bonds in order to carry out any of the foregoing.

Section 3. For the purpose of defraying the cost of any voting machine project, the Commission may borrow money from any agency of the Federal Government or it may issue and sell its voting machine first mortgage revenue bonds, after adopting a resolution specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear, not exceeding six per cent (6%) per annum. Such first mortgage revenue bonds may be issued, sold or exchanged as provided for in this Act, or as provided in KRS Chapters 56 or 58, or by other laws.

Section 4. Whenever the Fiscal Court of any county shall request the Commission to finance the acquisition of a specified number of voting machines under this Act, the county and the Commission may then proceed to acquire such voting machine project as follows:

(1) The Commission shall advertise for and receive proposals for the purchase of voting machines in sufficient number to supply the amount agreed to be furnished to such county. The Commission also may advertise for bids for a contract for the acquisition of voting machines with the provision that payment for such machines shall be made in bonds issued under this Act.

(2) The Commission may then enter into a contract for the purchase of such voting machines from the best bidder, subject to satisfactory financing arrangements being made.

(3) The parties shall enter into an agreement to be known as a "Contract, Lease and Option," which shall provide, aliunde, the following:

(a) The Commission shall issue its bonds to finance the project, which bonds shall be secured by a chattel mortgage lien against the project and by a pledge of all rentals and revenues therefrom.

(b) The Commission shall lease such project to the county for a term of not exceeding one year from the estimated date of completion of the project, with the county having the exclusive right and option to extend the term of the lease from year to year, for periods of one year at a time, for an agreed period, not exceeding twenty years.

(c) The rentals prescribed therein for the original term and for each of the full number of years for which the lease may be extended shall be not less than the amounts required in each of such years to amortize the total cost of the project, as evidenced by the amount of bonds issued to defray the cost thereof, and may include, in any specified years, such additional amounts as the parties may deem advisable to create or supplement any special funds.

(d) The county shall agree, in each effective year of the lease, to maintain the voting machines.

(e) Whenever the Commisison has been paid sufficient funds, or has sufficient funds on hand, to retire or redeem all of the bonds issued to finance such voting machines, through rental payments by the county, or whenever all of such bonds have been retired or redeemed by any lawful method, the Commission shall convey and transfer to the county an unencumbered title to such voting machines, and shall transfer to the county any balances then remaining in the Sinking Fund, in the Sinking Fund Reserve, and in any other funds maintained in connection with the project.

(f) That in the event of failure by the county to renew the lease or failure to pay any of the rentals prescribed therein, said Contract, Lease and Option shall be immediately terminated, and all rights of the county thereunder and to the leased voting machines shall be terminated and forfeited to the Commission, subject to the provisions of Section 8 (2) hereof.

(g) Any other reasonable provisions and stipulations deemed necessary and desirable.

(4) The Commission shall enter into an agreement, to be known as a Mortgage Deed or Trust, with a Trustee, which shall be a Kentucky bank, having trust powers, which is insured by the Federal Deposit Insurance Corporation, which instrument shall provide, aliunde, as follows:

(a) That bonds shall be issued to finance the project.

(b) The date, maturities (not exceeding twenty years), prior redemption provisions, if any, form of the bonds and terms and conditions of the issuance and of the public sale of the bonds.

(c) The security for the bonds, which shall include the following:

(1) A first chattel mortgage lien against the specific voting machines constituting the voting machine project.

(2) A pledge of the revenues of the project, to be set aside and pledged into the Sinking Fund, and the Sinking Fund Reserve, as special funds, to be deposited with the Trustee, and used to meet the principal and interest requirements of the bonds, as may be designated in such instrument.

(3) An assignment to the Trustee, for the benefit of the bondholders, of all rentals payable to the Commission under the Contract, Lease and Option.

(d) The rights of bondholders in the event of default, which rights may include the appointment of a Receiver, with powers similar to those set out in KRS 58.060, and may include the rights generally of holders of chattel mortgages under the laws of the State of Kentucky.

Section 5. All bonds issued under the provisions of this Act shall have the qualities of negotiable instruments, and shall not be subject to taxation. If any of the officers whose signatures appear on the bonds or coupons cease to be such officers before delivery of the bonds, the signatures shall nevertheless be valid for all purposes the same as if the officers had remained in office until delivery. The bonds shall be payable solely from the revenues or proceeds derived from the project, and shall not constitute an indebtedness of the Commission or of any of the counties executing any of such leases, within the meaning of any constitutional provisions or limitations; and it shall be so stated on the face of each bond.

Section 6. Any appropriations by the Legislature for voting machine purposes may be applied directly toward the cost of such voting machine projects, may be deposited by the Commission in the Sinking Fund Reserve, or may be applied to redeem bonds in advance of maturity in accordance with the bond proceedings. All money received from the proceeds of any bonds issued under this Act shall be used solely in payment of the cost of such voting machine projects as defined in this Act.

Section 7. If the Commission shall create a Sinking Fund Reserve, as defined in this Act, out of the proceeds of the sale of any bonds, such Reserve, including such additional amounts as may be deposited therein from other sources, shall be maintained by the Commission separate and apart from all other funds of the Commission, except that sums shall be transferred therefrom to the Sinking Fund if and to any extent required at any time to prevent default in the payment of principal or interest on any of said bonds, or whenever the total amount on deposit in said Reserve Fund is sufficient to retire or redeem all of the principal and interest requirements on the outstanding bonds, but no transfer or withdrawal shall be made for any other purpose. It may be provided that in the event of any withdrawals from the Sinking Fund Reserve, any deficiency in the amount agreed to be maintained therein shall be restored by the Commission as soon as revenues are sufficiently available to enable it to do so. Such Sinking Fund Reserve may be invested in obligations of the United States Government having maturities not in excess of five years, or may be invested or deposited in accounts insured by the United States Government, until needed, as the Commission may determine.

Section 8. (1) The Commission may issue a separate bond issue to finance the cost of a voting machine project for any individual county, may finance the cost of voting machine projects for two or more counties by one or more bond issues, and may receive and act on bids for more than one bond issue at the same time.

(2) Separate records shall be maintained by the Commission with reference to rentals payable by the two or more counties whenever bonds of a single issue are issued to finance two or more projects, provided that a failure by any individual county to renew a lease executed under this Act, or to pay a prescribed rental for any effective period thereof, shall not have the effect of terminating other leases of other voting machine projects of other counties which have not failed to renew their leases or to pay the prescribed rentals thereunder, and rights of bondholders prescribed in Section 5 (f) are subject to the foregoing.

(3) Upon termination or cancellation of the lease of any voting machine project, the Commission shall immediately take appropriate action to cause such project to produce revenues or proceeds from other sources, and shall apply any amounts in the Sinking Fund and in the Sinking Fund Reserve, to prevent any of the bonds from being in default.

Section 9. The Commission may cooperate with any county in the issuance of one or more separate bond issues to acquire voting machines for such county from time to time, provided, however, that each separate bond issue must be secured by a lien or charge of the revenues against the specific voting machines financed by such respective bond issues.

Section 10. Any holder of the bonds, or any of the coupons, may, either at law or in equity, protect and enforce the lien, and may by action enforce and compel the performance of all duties provided in this Act.

Section 11. The Commission may issue refunding bonds for the purpose of providing funds for the payment of any outstanding bonds, in accordance with the procedure prescribed for the issuance of the original bonds. The refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds which are refunded.

Section 12. The provisions of this Act are additional and alternate methods for the financing of voting machine projects and do not include, alter, amend or repeal any other statute. No proceedings shall be required for the acquisition of voting machines, or the issuance of bonds under this Act, except as are prescribed by this Act.

Section 13. If any section, paragraph, sentence or clause of this Act is invalid, the invalidity thereof shall not affect the validity of the remaining sections, paragraphs, clauses and sentences hereof.

HB 275, AN ACT relating to elections.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 118.450 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) The printing and delivery of ballots and cards of instruction to voters shall, in city elections, be paid for by the city. In all other elections, the printing of the ballots and cards of instruction for the voters in each county, and the delivery of them to the several voting precincts, shall be paid for by the county.

(2) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer except as otherwise provided by law.

(3) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, as provided in this section or in any other section requiring the county to pay the cost of an election, the county treasurer shall certify the amount of such expenses, indicating each item of expense separately, together with a statement of the number of precincts in the county, the date and kind of election to the Department of Finance. Upon receipt of such certification and upon being satisfied as to the correctness thereof, the Department of Finance shall issue its warrant upon the state treasurer in favor of the county treasurer for one half of the amount of such expenses but not exceeding in any event an amount equal to twenty dollars ($20.00) for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(4) Each county shall acquire voting machines meeting the specifications of Section 125.040 of the Kentucky Revised Statutes, for each precinct in which such machines are not already in use, no later than the primary election in 1963; provided, however, that (a) counties containing a population of 21,000 or more shall acquire voting machines for each precinct therein prior to the primary election in 1961; (b) counties containing a population of over 13,000 and less than

21,000 shall acquire voting machines for each precinct therein prior to the primary election in 1962; and (c) counties containing a population of 13,000 or less shall acquire voting machines for each precinct therein prior to the primary election in 1963; provided, however, that nothing contained herein shall be construed to prevent a county from acquiring voting machines prior to the general election in November, 1960.

(5) In all counties where voting machines are used, the cost of elections shall be certified by the county treasurer to the Department of Finance in the same manner as set out in subsection 3 of this Act, except that for each precinct where voting machines are used and so certified, the sum of fifty dollars ($50.00) shall be allowed to the county.

(6) Any county which fails to acquire voting machines in some manner prior to the time herein required shall no longer be entitled to receive any of the payments provided for in subsections 3 and 5 of this Act.

(7) The proposed budget of any county shall be disapproved by the State Local Finance Officer if such budget fails to provide for the payment of rentals in connection with any outstanding voting machine revenue bonds issued for the benefit of the county by the State Property and Buildings Commission as authorized by statute; payments to any county under the provisions of subsection 6 of this Act shall be terminated if and whenever it shall fail to renew a lease (Contract, Lease and Option) with the State Property and Buildings Commisison executed in connection with the acquisition of voting machines by such commission for the use of such county; and such payments to any county shall be terminated whenever such county shall fail to pay any part of the rentals required for any effective period of such lease.

Section 2. There is hereby appropriated out of the general expenditure fund an additional $150,000 in fiscal year 1960-61 and $180,000 in fiscal year 1961-62 to County Elections—State Share for the purpose of paying the increase in the state share of elections imposed by this Act.

Section 3. If any provision of this Act shall be held invalid, the remainder of this Act shall not be affected thereby.

SB 247, AN ACT relating to the regulation for the termite and pest control industry.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 249.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Department" means the Department of Agriculture, Labor and Statistics;

(2) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics;

(3) "Board" means the State Board of Agriculture;

(4) "Insect" means arthropods, mollusks and annelid worms, except those producing disease in man;

(5) "Rodent" means the order rodentia and other pestiferous vertebrate animals;

(6) "Termite" means termite as commonly used as well as other cellulose destroying organisms of all types;

(7) "Fumigation" means the use of poison gases to fumigate any enclosed space;

(8) "Operator" means any individual, firm, partnership, corporation, organization, association, or any combination thereof who owns a business for the purpose of applying or using insecticides, fungicides, or rodenticides for the control of termites, rodents, insects, plant diseases, fungi or bacteria, or who for hire or compensation owns a business for controlling, destroying, preventing, repelling, inspecting for or identifying insects, rodents, termites, fungi or bacteria, plant diseases, or who owns a business offering advice regarding control methods of sanitation procedures relative to insects, rodents, termites, fungi or bacteria. Excluded under this definition are textile manufacturers, cleaners or furriers who treat fabrics or furs in their place of business exclusively.

Section 2. There shall be an examining board composed of five members appointed by the Commissioner who shall be citizens of the Commonwealth of Kentucky. The examining board shall consist of a member of the Department, two members of the Department of Entomology of the University of Kentucky, and two members of the pest control industry.

Section 3. Section 249.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every operator as defined in KRS 249.250 shall secure a license from the Department before engaging in business in Kentucky. Written application shall be made to the Department stating the field of operation in which a license is desired. The applicant shall then be examined by the examining board in the field of operation specified in his application, and if found to be competent and qualified, shall be issued a license in the specified field, renewable annually without examination unless previously revoked as hereinafter provided. The licensee must, however, be examined when application is made for a license in additional fields of operation.

(2) Each operator shall register annually, and shall pay an annual fee of one hundred dollars for each place of business maintained in Kentucky. The registration and annual fee shall also be paid by any owner maintaining a place of business outside Kentucky but who engages in business within Kentucky. Every non-resident owner shall designate a resident agent upon whom service of notice of process may be made to enfore the provisions of KRS 249.250 to 249.340 or any liabilities arising from the operations hereunder.

(3) The "Applicant or Operator" is construed to mean the person or persons who own or are in direct charge of and are responsible for the conduct of the business named in the license.

(4) No applicant shall be eligible for examination unless he has had at least two years' experience in the field in which application is made, or has had in lieu thereof at least two years study in a recognized college or university, majoring in subjects devoted to the professional field in which he proposes to engage.

Section 4. Each applicant for a license shall pay to the Department an examination fee of fifteen dollars which shall be in full, and will entitle him to be examined in any or all fields of operation. However, a subsequent application for a license in any additional field requires the payment of an additional fifteen dollar fee. If an applicant fails an examination in a particular field, he shall have the right to take one additional examination at a regularly scheduled date upon payment of a five dollar fee.

Section 5. Section 249.290 of the Kentucky Revised Statutes is amended to read as follows:

The authorized representatives of the Department shall have the power of peace officers in the enforcement of KRS 249.250 to KRS 249.340, and may enter upon public or private premises for the purpose of inspection, and may examine during reasonable hours the records, materials and equipment of any operator.

Section 6. Section 249.300 of the Kentucky Revised Statutes is amended to read as follows:

A license may be revoked by the board for any of the following causes:

(1) The licensee, his solicitor or agent, making any material misrepresentations for the purpose of defrauding any member of the public, or using any method or material that is not reasonably suited for the purpose for which it is employed, or performing unsatisfactory work under his contract;

(2) Failure of a licensee to comply with any of the provisions of KRS 249.250 to 249.340, or any rule or regulation promulgated by the Department;

(3) Failure to pay any final judgment rendered against any

operator, his employee, solicitor or representative by reason of liabilities resulting from activities under KRS 249.250 to KRS 249.340;

(4) Refusal to provide the Department with reasonably complete and accurate information upon request;

(5) If license holder shall fail to make the registrations and pay annual fees as required in KRS 249.260.

Section 7. The board may in its discretion order the suspension of a license for any cause for which it may be revoked provided, however, the licensee may have the alternative, except in cases involving subsection (1) of KRS 249.300, subject to the approval of the board, to pay in lieu of part or all of the days of any suspension period, the sum of fifty dollars per day. The money so collected shall be paid into the State Treasury to the credit of a revolving fund for the use of the Department in enforcing the provisions of KRS 249.250 to KRS 249.340.

Section 8. Advertisement by unlicensed operators prohibited. It shall be unlawful for any person, firm, corporation, partnership or combination thereof, to advertise in any newspaper, periodical, radio or in any other manner, that said person, firm, corporation, partnership or combination thereof is engaged in the business of pest control or any of the fields thereof, unless it has been first licensed in Kentucky.

Section 9. The board shall after denying an application for a license, if petitioned by the applicant within ten days of notification, or before suspending or revoking any license, set the matter down for hearing and shall at least fifteen days prior to the date set for the hearing notify the applicant or licensee in writing, which said notice shall contain an exact statement of the charges made and the date and place of the hearing. Such written notice may be served by delivery of it personally to the applicant or licensee or by mailing it by registered mail to his last known address. The hearing shall be at the time and place prescribed by the board.

Section 10. (1) In the preparation and conduct of hearings any member of the board shall have the power to administer oaths and to require by subpoena the attendance and testimony of witnesses and the production of the papers. The fees and mileage shall be the same as prescribed by law for judicial procedure in civil cases. Any party to a hearing shall have the right to the attendance of witnesses in his behalf upon making a request theerof to the board and designating the person or persons sought to be subpoenaed.

(2) Testimony may be taken by depositions as in civil cases and any person may be compelled to appear and dispose in the same manner as witnesses as hereinbefore provided.

(3) Any person who shall neglect or refuse to attend and testify

or to answer any lawful inquiry or to produce documentary evidence if in his power to do so, is in disobedience of a subpoena or lawful requirement by the board, shall be subject to prosecution under KRS 249.990 (6).

Section 11. The board shall notify the applicant or licensee of its decision within twenty days after the hearing in the manner provided in Section 9 of this Act. The board upon request of the applicant or licensee shall furnish him with a definite statement of its findings of fact and its reason or reasons for refusing to grant him a license, or for the suspension of the rights of the licensee, or for the revocation of the license, as the case may be. The order of the board, if an appeal is not taken as herein provided, shall be conclusive and binding as to all questions of fact, but any applicant or licensee shall have the right to appeal from the decision of the board as provided in Section 12 of this Act. If an appeal is perfected as provided in Section 12 of this Act, the decision of the board shall be stayed until final adjudication.

Section 12. (1) Any applicant or licensee aggrieved by the action of the board in refusing to grant a license or in suspending or revoking a license may within twenty days after the date of notification, file in the office of the Clerk of the Franklin Circuit Court, an attested copy of the record of proceedings before the board together with its findings of fact and reasons therefor, provided he shall first post bond to secure the cost of the action in such sum as may be approved by the Clerk, with good and solvent surety. The board shall be a necessary party to all such appeals. The Circuit Clerk shall thereupon docket the case and shall immediately issue a summons for the board. No formal pleading shall be required but the case shall be set down by the court for a hearing as early as possible.

(2) No new or additional evidence may be introduced in the Franklin Circuit Court except as to fraud or misconduct of some person engaged in the administration of this Act and affecting the order or decision of the board, but the court shall otherwise hear the cause upon the record as attested by the board and shall dispose of the cause in a summary manner, its review being limited to determining whether or not: (a) the board acted without or in excess of its powers; (b) the order or decision appealed from was procured by fraud; (c) if questions of fact are in issue, whether or not any substantial evidence supports the order or decision appealed from.

(3) After the hearing provided for in subsection (2) the court shall enter judgment sustaining or setting aside the order or decisions of the board.

(4) Either party aggrieved by judgment of the Franklin Circuit Court may appeal to the Court of Appeals in the manner provided in the rules of civil procedure.

Section 13. Section 249.340 of the Kentucky Revised Statutes is amended to read as follows:

All fees collected by the Department shall be deposited in the State Treasury to the credit of a revolving fund for the use of the Department in enforcing the provisions of KRS 249.250 to 249.340.

Section 14. Subsection (6) of Section 249.990 of the Kentucky Revised Statutes is amended to read as follows:

(6) Any person violating any of the provisions of KRS 249.250 to 249.340 or any lawful order, rule or regulation of the Department made under the provisions of KRS 249.250 to 249.340 shall be fined not less than one hundred dollars for the first offense and not less than two hundred dollars for each subsequent conviction, or not less than thirty days nor more than one year in jail, or both.

Section 15. No prosecution shall be made under KRS 249.250 to 249.340 unless it is commenced within two years of the time the violation is committed.

Section 16. Section 249.320 of the Kentucky Revised Statutes is repealed.

SB 240, AN ACT relating to proceedings by the State Board of Accountancy against persons licensed to practice public accounting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (11) of Section 325.340 of the Kentucky Revised Statutes is hereby created to read as follows:

After notice and hearing as provided in KRS 325.360, the board may revoke or suspend any certificate issued under KRS 325.260 to 325.290, or any registration granted under KRS 325.310, or may revoke, suspend or refuse to renew any permit issued under KRS 325.330, or may censure the holder of any such permit, for any one or any combination of the following causes:

(11) Conduct discreditable to the accounting profession.

SB 241, AN ACT relating to the practice of public accounting and amending Sections 325.270 and 325.330 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 325.270 of the Kentucky Revised Statutes is amended to read as follows:

Examinations provided for in KRS 325.220 to 325.440 shall be held by the board as often as may be necessary in the opinion of the board, but not less frequently than once each year. A candidate for the certificate of "certified public accountant" who fails in all subjects shall have the right to any number of re-examinations. A candidate who passes a satisfactory examination in any subject shall have the right to be re-examined in the remaining subjects only, at subsequent examinations held by the board, and if he passes in the remaining subjects within a period of time specified in the rules of the board, he shall be considered to have passed the examination. The board shall charge each candidate a fee not to exceed fifty dollars for the initial examination. This fee shall be payable by the candidate at the time prescribed by regulation of the board. Should the candidate fail to pass the examination, re-examinations will be given the same candidate for an additional fee not to exceed twelve dollars and fifty cents for each subject in which the candidate is examined.

Section 2. Section 325.330 of the Kentucky Revised Statutes is amended to read as follows:

Permits to engage in the practice of public accounting in this State shall be issued by the Board to holders of a certificate as "certified public accountant" issued under KRS 325.260 to 325.290 and to individuals and partnerships registered under KRS 325.280 and 325.320, after the payment by each such certificate holder, individual or partnership of an annual permit fee to be fixed by the Board not to exceed thirty dollars. All permits shall expire on the first day of July of each year, but may, annually, be renewed for a period of one year by certificate holders and registrants in good standing upon the payment of a fee for renewal as herein provided. The renewal fee is due on or before the expiration date of the holder's permit, but failure to renew a permit before expiration thereof, except as provided in KRS 325.340 (10), shall not deprive a certificate holder or registrant of the right to renewal; in such cases a certificate holder or registrant in good standing may renew his permit by payment of any and all annual fees unpaid by him since the expiration of his permit and by payment of a penalty of $10.00 in addition thereto.

Section 3. This Act shall become effective July 1, 1960.

HB 319, AN ACT providing for and relating to the planning and zoning of the capital city of Frankfort and the county of Franklin.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. For the purpose of promoting public health, safety, morals and the general welfare for the state capital and its environs; to preserve and continue the systematic development of zones and districts best suited for their purpose; to provide for the location of state, federal, city and county buildings, monumental buildings and other general structures and the protection of real estate values; to preserve the many historic and scenic attractions and private points of interest;

and to safeguard the capital from unwise and haphazard development, a Capital Planning and Zoning Commission is created.

Section 2. (1) The Capital Planning and Zoning Commission shall consist of five members two of whom shall be "city members", two of whom shall be "county members", and one who shall be a "state member".

(2) The city members shall be chosen in the following manner: The Mayor shall appoint one member of the city legislative body to serve as ex officio member of the Commission. The remaining city member shall be chosen by the Mayor and shall be a resident of the city and hold no other city or county office. All appointments by the Mayor shall be subject to approval by the city legislative body and serve at its discretion.

(3) The county members shall be chosen in the following manner: The County Judge shall appoint one member of the county legislative body to serve as ex officio member of the Commission. The remaining county member shall be chosen by the County Judge and shall be a resident of the county outside the limits of the city and hold no other city or county office. All appointments by the County Judge shall be subject to the approval of the county legislative body and serve at his discretion.

(4) The state member shall be chosen in the following manner: The Governor shall appoint one of the members of the State Property and Building Commission to serve as ex officio member of the Commission as the Governor's representative and at his discretion.

(5) Vacancies occurring in the office of any member shall be filled by his appointing authority, within 10 days of the date on which the vacancy occurs.

(6) Members shall serve without pay, but may be reimbursed for their necessary expenses in the performance of their duties.

Section 3. The Commission shall adopt all bylaws and regulations necessary to the conduct of its affairs and for carrying out the provisions of this act.

Section 4. The Commission shall elect, from among its members, a chairman, and Vice-Chairman. In the absence of the chairman, and or when there is no chairman, the vice-chairman shall act and have all the powers and duties of the chairman. The terms of the chairman and vice-chairman shall both be for one year. The Commission shall hold at least one regular meeting in each month. It shall keep minutes and records of all its proceedings, showing its resolutions, transactions, findings, and determinations, and the vote of each member on each question, or, if absent or failing to vote, indicating such fact, all of which shall be immediately filed in the office of the Commission and shall be public records. Both the ex officio members and the appointed members shall be entitled to vote on any subject or matter before the Commission, and a quorum of the Commission for any business shall constitute three members.

Section 5. The Commission may employ such professional staff as it may deem necessary for its work. It may also contract with private individuals, or with public agencies for such service as it may require. May employ clerical or technical help, and shall pay all expenses and attendance fees of the Board of Zoning Adjustment and Appeals, provided in Section 12 of this act. The Commission may also employ a zoning enforcement officer as provided for in Section 14 of this act.

Section 6. (1) The Commission shall and is hereby declared to be the custodian of all funds both as to the said Commission and as to the Board of Zoning Adjustment and Appeals received from any and every source for the purposes of carrying out the provisions of this act; and all expenditures of said funds shall be made only by order of said Commission by resolution duly approving same. All expenditures shall be made only by checks drawn by the Commission. The Commission shall cause an annual audit to be made of all its receipts and expenditures by an official of the city or county or by an auditor or accountant approved by the Mayor of said city and County Judge of said county. The Commission shall annually select a bank or banks for the current deposits of the Commission's funds for the current operating expenses.

(2) Neither the Commission or the Board as provided for in Section 12 of this Act, shall incur or permit the incurrence of any indebtedness in any manner or for any purpose in an amount exceeding for the fiscal year of the Commission or Board, the income and revenue provided for such year from all sources; and any indebtedness contracted in violation of this section shall be void and neither the county, city or state shall be liable therefor.

Section 7. (1) It shall be the function and duty of the Commission to prepare and approve a master or general plan as provided for in KRS 100.046 for the physical development for the whole or any part of the city and county, and to submit and recommend same to the Fiscal Court, to the legislative body of the city and to the Governor for adoption or rejection, pursuant to the provisions of KRS 100.047 to 100.051.

(2) Such master plan shall be made with the general purpose of guiding and accomplishing a co-ordinated adjudged and harmonious development of the incorporated and unincorporated areas of the entire county. The Commission shall make careful and comprehensive surveys and studies of existing conditions and probably future development of the entire territory within said county.

(3) The Commission shall prepare and approve a zoning plan

for the area, both incorporated and unincorporated, of the entire county pursuant to the provisions of KRS 100.390. It shall submit and recommend same to the legislative bodies of the city and county for adoption or rejection pursuant to KRS 100.400 to 100.420.

(4) The Commission shall prepare and approve subdivision control regulations for the entire county pursuant to the provisions of KRS 100.360-100.364.

Section 8. (1) In the preparation of the master plan, and at all times thereafter, it shall be the duty of the Commission to consult and advise with public officials and agencies, regarding the preparation, protection and execution of plan. The Commission, its members, officers, and employees, in the performance of their duties and functions, may enter upon any land and make examinations and surveys, which do not occasion damage and injury to private property.

(2) The Commission shall have the power to promote public interest in and an understanding of the master plan, and parts thereof, and may publish and distribute copies thereof, or of any report relating thereto and may employ such other means of publicitiy and education as it may determine.

Section 9. Any and all existing planning and zoning plans, ordinances, resolutions, or orders, and regulations and restrictions, or amendments thereof, in effect within the respective territorial jurisdiction of the county and city shall continue and remain in full force and effect until superceded by new planning and zoning plans, ordinances, resolutions, or orders, regulations and restrictions, approved and adopted as provided in this act. Upon the appointment of the Commission and Board all records of any existing planning and zoning commission and Board of Adjustment and Appeals in said county or city shall be transferred to the Commission and the Board, respectively, and the powers and duties of said presently existing planning and zoning commission and Board of Adjustment and Appeals which exists;

Section 10. Subject to the approval of the respective governments represented by the Commission, the Commission shall have the power of eminent domain within the territory over which its powers may be exercised, and may purchase outright or condemn property for use as roads, playgrounds, parks, state or federal or municipal building sites, or other proper purposes. It may preserve such properties or transfer them to other state, federal or municipal bodies upon full agreement with those bodies as to the terms of transfer and use. In so doing, the Commission shall not obligate itself beyond its income and funds on hand.

Section 11. In the performance of their duties as provided for in this act, the Commission and the Board may request the advice and services of the City Solicitor of such city or the County Attorney of such county, said services to be rendered without compensation from the Commission or the Board.

Section 12. (1) A Board of Zoning Adjustment and Appeals is hereby created and established, which Board shall consist of five members, none of whom shall be a member of the Commission or hold any other public office or position. Of these members, one shall be appointed by the Governor to serve for a term of four years. Two members shall be appointed by the County Judge of Franklin County, one of whom when first appointed shall serve for a term of one year and one of whom shall serve for a term of four years. Two members shall be appointed by the Mayor of the city of Frankfort, one of whom, when first appointed shall serve a term of two years, and one of whom when first appointed shall serve a term of three years. Thereafter, the terms of office of all such members shall be four years. Upon the expiration of the term of office of any member, the successor to such member shall be appointed within ten days by the Governor, Mayor, or the County Judge as the case may be. Vacancies occurring other than through expiration of term of office shall be filled for the unexpired term only, by the Governor, Mayor, or the County Judge, as the case may be. Members may be removed by the appointing officer for inefficiency, neglect of duty, malfeasance or improper conduct. The appointing officer shall file with the Board a written statement stating further the reason for such removal. Each member of the Board shall be reimbursed for his necessary expense incurred in the performance of his duties. The Board is empowered to adopt rules and regulations necessary or convenient for the transaction of its business, and it shall keep records and minutes of all its proceedings. The Commission shall furnish clerical assistance to the Board, when requested by the Board.

(2) Where not in conflict with the provisions of this act the Board shall have all duties, power and authority granted to, and shall follow the procedures provided for, the Board of Zoning Adjustment and Appeals of cities of the first class and counties containing such cities by KRS 100.079-100.086.

Section 13. The zoning officer provided for in Section 5 of this act shall administer and enforce the zoning regulations and restrictions, and issue zoning permits and certificates of occupancy subject to the approval of the Board. The Commission may fix a reasonable schedule of fees for the issuance of such certificates and permits.

Section 14. An aggrieved party shall have all the rights of appeal granted by KRS 100.031-100-098.

Section 15. (1) Any regulations adopted and approved under the provisions of this Act shall have the force and effect of an ordinance or order.

(2) Penalties for violation of any such regulation may be fixed in the regulation, but no penalty shall exceed a fine of $500.00, or a jail sentence of six months or both.

Section 16. The Commonwealth, Franklin County, and the City of Frankfort, or any of them, may appropriate money to implement and carry out the purposes of this Act. The appropriations may be made directly or to match federal funds.

Section 17. All funds presently existing and intended for purposes similar to those of this Act may be transferred to the Capital Planning and Zoning Commission.

Section 18. Nothing in this Act shall be construed to require the approval of the Commission or Board for the construction of any building to be used for agricultural purposes in an area zoned for agricultural use.

Section 19. Sections 147.190, 147.200, 147.210, 147.220, 147.230, 147.240, 147.245, 147.246, 147.247, and 147.250 of the Kentucky Revised Statutes are repealed.

Section 20. An emergency is declared to exist and this Act shall become effective upon passage and approval by the Governor.

SB 201, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 100.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Mayor" means the chief elected official of the city whether the official designation of his office is mayor, chairman of the board of trustees or otherwise;

(2) "Legislative body" means the chief legislative body of the city, whether it is a board of aldermen, general council, board of commissioners or otherwise;

(3) "Streets" includes streets, avenues, boulevards, roads, lanes, alleys, viaducts and other ways;

(4) "Subdivision" means the division of a tract of land into two or more divisions for the purpose, whether immediate or future, of sale or of building development and includes resubdivision; provided, however, that the division of a tract into parcels of more than three acres not involving any new streets or easements of access, and the sale or exchange of parcels where such sale or exchange does not create additional building sites shall be exempted.

(5) "County commissioners" means chief administrative or legislative body of the county;

(6) "Planning area" means the city and adjoining territory which by reason of existing or future development bears relation to the proper growth and development of the city;

(7) "Commission" means planning commission; and

(8) "County area" means the unincorporated area of the county in which the second class city is located.

Section 2. Section 100.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) The legislative body shall provide for the expenses and accommodations necessary for the work of the commission, and may levy a tax for that purpose if necessary.

(2) The annual expenditure of public funds by the commission shall be limited to the amount appropriated for each fiscal year. The fiscal year shall conform to the fiscal year of the city.

(3) In addition to the appropriated public funds, the commission may fix a reasonable schedule of fees for the inspection and approval of subdivision plats, the filing of applications, and the issuance of permits and certificates. The fees are to be commensurate with amount of work and study required of the commission and its staff.

Section 3. Section 100.364 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person or his agent shall subdivide any land, before securing the approval of the planning commission, in the manner prescribed in KRS 100.360, of a plat designating the areas to be sold, and no plat of a subdivision of land within the planning area shall be recorded by the county clerk until the plat has been approved by the commission and the approval entered thereon in writing by the chairman or secretary of the commission.

(2) No subdivider owning land composing a subdivision, or his agent, shall transfer or sell or agree to sell any lot or parcel of land located within such subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has been approved as provided in KRS 100.360. Any such instrument of transfer, sale or contract shall be voidable at the option of the purchaser or the planning commission for a period of one year from date of transfer and shall not be subject to being recorded.

(3) The description of such lot or parcel by metes and bounds in any contract or instrument of transfer or other document used in the process of selling or transferring same shall not exempt the person attempting to transfer from the penalties provided for in subsection (1) of KRS 100.990, or deprive the purchaser of any rights or remedies he may otherwise have.

(4) This section shall not apply to any transfer of land containing more than three acres within one boundary. A legal descrip-

tion containing the phrase "three acres more or less" shall not be sufficient to remove the transfer from the application of this section.

Section 4. A new section is hereby created in Chapter 100 of the Kentucky Revised Statutes to read as follows:

(1) All final orders of the planinng commission established by KRS 100.320 which are not subject to the approval of a legislative body and all decisions of the legislative bodies approving or disapproving of final reports of the commission may be appealed to the Circuit Court.

(2) In case of appeals, no evidence may be introduced in the circuit court which was not presented to the planning commission except as to fraud or misconduct of some person engaged in the administration of this chapter and affecting the order; the court shall hear the case upon the certified record or abstract thereof, and shall dispose of the case in a summary manner, its review being limited to determining whether or not the Commission or legislative body acted without or in excess of its power, the order was procured by fraud, the order is in conformity to the provisions of this chapter, and the findings of fact in issue are supported by any substantial evidence. On such appeals, the court may, in advance of judgment and upon a sufficient showing of facts, remand the case to the commission.

(3) The court shall enter judgment confirming, or setting aside the order or, in its discretion, remanding the case to the commission for proceedings in conformity with the directions of the court.

(4) Appeals from the circuit court to the Court of Appeals shall be governed by the Rules of Civil Procedure.

HB 82, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 157.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before July 1 of each year the Department of Revenue shall determine the aggregate assessed value of all property subject to assessment for school tax purposes, and shall determine the percentage the equalized value of property in each district is of the total equalized value of all property in the Commonwealth subject to taxation for school purposes and shall certify such information to the Superintendent of Public Instruction for use in determining the required local tax effort for each district. If such assessment has not become final by July 1 of any year, the Department of Revenue shall, on the basis of other information as may be available, make an estimate of the assessment of all property subject to local school tax in each school district and the estimate shall be used in lieu of the aggregate assessed value.

(2) In determining the required local tax effort for districts which participate in the public school foundation program fund, including the capital outlay allotment, the Superintendent of Public Instruction shall divide the aggregate assessed value of all property in the Commonwealth subject to taxation for school purposes by one hundred and multiply the quotient thereof by one dollar and ten cents. The product thereby obtained shall be multiplied by each district's percentage of the total equalized value of all property in the Commonwealth subject to taxation for school purposes. In determining the required local tax effort for districts which do not participate in the capital outlay allotment of the public school foundation program fund, the multiplier shall be one dollar.

(3) Any district's levy shall be at such rate as is necessary to provide the required local tax effort.

(4) No funds received as payment in lieu of property taxes from the federal government, Tennessee Valley Authority, or other federal agency shall be added to the district's required local tax effort.

HB 232, AN ACT relating to the establishment of sanitation districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 220.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Before the commissioner of sanitation districts shall establish a district, a petition, approved as to propriety and necessity by the county board of health of each county affected, shall be filed with the commissioner, signed by sixty percent of those in possession claiming as freeholders within the limits of the territory proposed to be organized into a district.

(2) In determining when sixty percent of the landowners have signed the petition, the commissioner shall be bound by the names as they appear upon the county tax duplicate, which for all purposes of KRS 220.010 to 220.520 shall be prima facie evidence of such ownership. The commissioner shall further require evidence to determine the fact that all signatures on the petition are genuine, and a notification by ordinary mail sent to the respective addresses shown on the petition shall be deemed satisfactory by the commissioner if the petitioner so notified fails to report in writing within ten days that he did not sign the petition. When authorized by ordinance, such a petition may be signed by the governing body of any municipality lying wholly or partly within the proposed district. When so signed by such governing body a petition on the part of the governing body shall fill all requirements of representation upon the petition of the free holders of the municipality as they appear upon the assessment roll of the

municipality, and individuals within the municipality shall not sign the petition. Such a petition may also be filed by any municipality interested in some degree in the improvement, upon proper action by its governing body, except as provided in KRS 220.520.

Section 2. Section 220.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the petition is filed with the commissioner, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petitioners, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the petitioners, but if the boundary established by the commissioner results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of sixty percent of the freeholders or owners in the area as established by the commissioner.

(2) None of the provisions of KRS 220.010 to 220.520 shall be applicable within the corporate boundary of any city of the first class, nor shall they be binding upon such city or any part thereof, or any land or property within the boundary of such city. The governing body of any city of the first class shall determine by ordinance whether city property lying outside the corporate boundary shall be included in any sanitation district, and whether the city shall bind itself to pay the charges for the services of the district furnished to such land or property.

(3) Should it be found desirable to include in a sanitation district all or a portion of a city of the second or third class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the charges for the services of the district furnished in such area.

Section 3. Section 220.090 of the Kentucky Revised Statutes is amended to read as follows:

When sixty percent of those qualified within the boundary fixed by the commissioner are found to have petitioned for the establishment of a sanitation district, and the commissioner has established the boundaries thereof, the commissioner shall give notice of the application for the creation of the district, by posting the notice in at least ten places in the area proposed to be organized into a district, or by publishing it in at least two consecutive, regular editions of a newspaper of general circulation in the proposed district.

SB 230, AN ACT relating to testimony and services of optometrists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) The testimony of an optometrist duly licensed under the laws of the Commonwealth of Kentucky shall be received by any official, board, commission or other agency of the Commonwealth or any of its subdivisions or municipalities as qualified evidence with respect to any matter defined in the law as constituting the practice of optometry.

(2) Every such official, board, commission or other agency shall accept the services of duly licensed optometrists without discrimination between optometrists and any other persons authorized by law to render the same professional services, when such services are desired, and shall pay for such services in the same manner as other professions may be paid for the same services.

HR 63, A JOINT RESOLUTION authorizing and directing the fencing of the cemetery and marking the grave of Jenny Wiley.

WHEREAS, Jenny Wiley, Eastern Kentucky's most famous borderline heroine, is buried in an open pasture in Johnson County; and

WHEREAS, there is no evidence this grave has received suitable attention since her interment in 1831; and

WHEREAS, this courageous pioneer mother forged onward even in the face of the savage Indian massacre of her family and horrors of Indian captivity; and

WHEREAS, in this cemetery rows of graves of pioneers lie in the same state of neglect; and

WHEREAS, there would have been no Kentucky—no conquering the western woods but for such valiant pioneer efforts;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Conservation, Division of Parks be directed to mark suitably the grave of Jenny Wiley, at a cost not exceeding one thousand dollars.

Section 2. That the Department of Highways be directed to fence the cemetery in which the grave of Jenny Wiley lies, according to department specifications at a cost not to exceed five hundred dollars.

Calendar

HB 64, SB 238, SB 205 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Report on Enrolled Bills

Committee on Enrollment reported **SB 155, HB 42, HB 48, HB 50, HB 53, HB 56, HB 117, HB 140, HB 142, HB 180, HB 183, HB 197, HB 199, HB 235, HB 236, HB 237, HB 238, SB 91** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

SB 155 and **SB 91** delivered, signed by Speaker. Ordered delivered to the Governor.

Orders of the Day

HR 21 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HR 21.** Agreed.

On the roll call, the vote was, Yeas 31—Bishop, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware. Nays 0. **HR 21** was passed and the title agreed to.

HB 300 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 300.** Agreed.

On the roll call, the vote was, Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White. Nays 0. **HB 300** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 300** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 223, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 223.** Agreed.

On the roll call, the vote was, Yeas 26—Bishop, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, C. S. Howard, D. W. Howard, Hubbard, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Ware. Nays 4—Bassett, Duncan, Hamilton, Richmond. **SB 223** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 223** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 224 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 224.** Agreed.

On the roll call, the vote was, Yeas 26—Bishop, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Johnson, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Ware, White. Nays 4—Bassett, Hamilton, Kelly, Richmond. **SB 224** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 224** was passed be reconsidered and said motion be laid on the table. Agreed.

Unanimous consent of the Senate was granted Senator Johnson that he be recorded as voting yea on **HB 300.**

SB 225 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 225.** Agreed.

On the roll call, the vote was, Yeas 31—Bassett, Bishop, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White. Nays 0. **SB 225** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 225** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 171 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 171.** Agreed.

On the roll call, the vote was, Yeas 31—Bassett, Bishop, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White. Nays 0. **SB 171** was passed and the title agreed to.

Senator Overbey moved that the vote by which **SB 171** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 195 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Garnett, who moved the adoption. Agreed.

Said Amendment #1 is as follows:

"Amend printed copy of **SB 195** on page 2, section 3, line 5, after the word officer, add the following words: "except mmebers of the Executive Committee."

Senator Garnett moved the Previous Question on **SB 195,** as amended. Agreed.

On the roll call, the vote was, Yeas 31—Bassett, Bishop, Blake, Brand Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware. Nays 0. **SB 195** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 195** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 158 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 158.** Agreed.

On the roll call, the vote was, Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White, Nay 0. **SB 158** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 158** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 168 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 168.** Agreed.

On the roll call, the vote was, Yeas 28—Bishop, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware. Nays 0. **SB 168** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 168** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 234 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 234.** Agreed.

On the roll call, the vote was, Yeas 24—Bassett, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hehl, C. S. Howard, D. W. Howard, Hubbard, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White. Nays 4—Byers, Hamilton, Jackson, Johnson. **SB 234** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 234** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 165 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **SB 165.** Agreed.

On the roll call, the vote was, Yeas 25—Bassett, Brand, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Johnson, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Ware, White. Nays 2—Kelly, Richmond. **SB 165** was passed and the title agreed to.

Senator Hehl moved that the vote by which **SB 165** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 8. Agreed.

TUESDAY, MARCH 8, 1960

FIFTY-FIRST LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators McCann and Raney, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 7 dispensed with and the same approved on motion of Senator Blake.

Introduction of Bills and Resolutions

SR 50, by Senator Hehl: A RESOLUTION commending the City of Fort Thomas.

Senator Hehl moved adoption of **SR 50.** Agreed.

SR 50, A RESOLUTION commending the City of Fort Thomas.

WHEREAS, Fort Thomas has an outstanding record for efficient and economical municipal government; and

WHEREAS, the progressive administration of the various city departments and agencies has caused the City of Fort Thomas to be ranked as one of the leading cities in the Commonwealth and a model for other cities; and

WHEREAS, the city officials have recently caused a publication informing the citizenry of the operation and progress of the city to be issued; and

WHEREAS, such achievement should not go unrecognized,

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the City of Fort Thomas be, and it hereby is, commended for its distinguished record in the field of municipal administration.

Section 2. That copies of this Resolution be forwarded by the Clerk of the Senate to:

F. B. Stegeman, Mayor; Donaldson Brown, Charles D. Manthey, W. Bruce Ross, Robert S. Smalley, Howard W. Wendling and Dr. Charles E. Daniels, Councilmen; Charles H. Kuhn, City Engineer; Mrs. Adele B. King, City Clerk; Louis E. Arnold, City Attorney; Arthur R. Heckerman, Police Judge; Richard H. Quehl, Police Chief; Ray W. Tatman, Fire Chief; B. X. Sadosky, Playground Superintendent,

SR 51, by Senator Bishop: A RESOLUTION relating to the Department of Highways and the Department of Fish and Wild Life Resources.

SR 52, by Senator Hubbard: A CONCURRENT RESOLUTION honoring the City of Burkesville on the occasion of its Sesqui-Centennial Celebration.

SB 262, by Senator Bishop: AN ACT relating to constables.

SB 263, by Senator Ware: AN ACT relating to securities; defining terms, providing for a director of securities and an advisory committee; defining powers and duties; providing penalties; and repealing Chapter 292 of the Kentucky Revised Statutes.

SB 264, by Senator Duffy: AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.053, KRS 100.057 and KRS 100.085, subsection (2).

SB 265, by Senator Craft: AN ACT relating to motor vehicles and motor transportation.

SB 266, by Senator Ware: AN ACT relating to unemployment insurance.

Senator Hubbard moved the adoption of **SR 52.** Agreed.

SR 52, A CONCURRENT RESOLUTION honoring the City of Burkesville on the occasion of its Sesqui-Centennial Celebration.

WHEREAS, the City of Burkesville was first established as a pioneer town on the banks of the Cumberland River one hundred and fifty years ago, and incorporated in 1846; and

WHEREAS, Burkesville has grown to be a leading city in its area and the county seat of Cumberland County; and

WHEREAS, Burkesville has a rich historical background with many notable distinctions, including the drilling of the first oil well in Kentucky more than a hundred years ago in the environs of Burkesville; and

WHEREAS, the fine citizens of Burkesville, being proud of their city's past and having high hopes for its future, are holding a Sesqui-Centennial Celebration from August 13 through August 20 of this year to which they have invited all of the people of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the congratulations of the General Assembly of the Commonwealth of Kentucky be, and they hereby are, extended to the City of Burkesville on the occasion of its Sesqui-Centennial Celebration.

Section 2. That the Clerk of the Senate be directed to forward copies of this Resolution to all elected officials of the City of Burkesville and to the Cumberland County News.

Senator Ware moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Ware moved the consent of the Senate for the President to wave his signature on **SB 82** in the Senate Journal of March 2 for the purpose of consideration of House Amendment. Agreed.

Senator Ware moved the Senate to concur in the House Amendment to **SB 82.** Agreed.

Said House Amendment to **SB 82** is as follows:

On Page 1, line 4, by changing one period to a semicolon and adding the following:
"provided, however, that this does not authorize a sanitation district to provide sewer service within a city of the first class except with permission of the Board of Aldermen of such city."

Senator Ware moved the Previous Question on **SB 82**, as amended. Agreed.

On the roll call, the vote was, Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 82** was passed and the title agreed to.

Senator Conley moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Conley moved the Senate to concur in the House Amendment to **SB 118.** Agreed.

Said House Amendment to **SB 118** is as follows:

On Page 3, section 2, Sub (4), line 45, by inserting after the word "works", the following: "by contract".

Senator Conley moved the Previous Question on **SB 118**, as amended. Agreed.

On the roll call, the vote was, Yeas 20—Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hehl, C. S. Howard, Kidwell, Martin, Melton, Miller, Ware. Nays 11—Bassett, Hamilton, Hickerson, D. W. Howard, Jackson, Kelly, Kinkead, Logan, Overbey, Richmond, Young. **SB 118** was passed and the title agreed to.

Senator Conley moved that the vote by which **SB 118** was passed be reconsidered and said motion be laid on the table. Agreed.

Report of Committee

Rules Committee reported **SB 260, SB 256, HB 373, HB 264, HB 229, HB 309, HB 383, HB 184, SB 252, SB 250, SB 251, SB 253, SB 257, HB 179, SB 255, SB 239** with the expression of opinion that same should pass. Read at lnegth for the first time and ordered placed in the Calendar.

SB 260, AN ACT relating to the computation of time, amending KRS 446.030.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 446.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) In computing any period of time prescribed or allowed by statute, the day of the act, event or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Sunday or a legal holiday, in which event the period runs until the end of the next day which is neither a Sunday nor a holiday. When the period of time prescribed or allowed is less than seven days, intermediate Sundays or holidays shall be excluded in the computation.

(2) If any proceeding is directed by law to take place, or any act is directed to be done, on a particular day of a month and that day is Sunday, the proceeding shall take place, or the act shall be done, on the next day that is not a legal holiday.

SB 256, AN ACT relating to financing of public improvements by assessments against benefited properties according to the "assessed value" basis; amending and re-enacting KRS 107.020, 107.030, 107.140 and 107.190; enacting new sections in KRS Chapter 107; and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Legislative Purpose. It is the purpose of this Act to extend permissive authority of municipalities for assessment financing of certain public improvements according to the "assessed value" basis by (a) permitting such financing of sewage treatment plants and appurtenances, as well as other sewer installations, (b) simplifying procedures under certain conditions, (c) permitting assessment bonds for sewer projects to mature over a period up to thirty (30) years, and (d) amending and re-enacting certain specified sections of KRS Chapter 107 to make them consistent herewith.

Section 2.

KRS 107.020 Definitions.

(1) The term "governing body", as used in this chapter, means and includes the legislative body of any city, whether the same be designated by applicable statutes as a General Council, a Common Council, a City Council, a Board of Trustees, a Board of Commissioners, or otherwise.

(2) The term "Ordinance" means and includes any ordinance enacted in accordance with the general laws applicable to ordinances of the class of city in question, and the form of government thereof, and in accordance with the provisions of this chapter.

(3) The term "public way" means and includes streets, sidewalks, boulevards, avenues, roads, lanes, alleys, parkways, courts, terraces, and other courses of travel open to the general public by whatsover name designated.

(4) The terms "improvement" and "project" mean and include (a) the new construction of public highways or the substantial reconstruction or widening thereof, (b) the construction, installation or substantial reconstruction of sanitary, storm, or combined sewers and appurtenances, (c) sewage treatment plants for rendering sewage less hazardous to public health, safety and general welfare or (d) any combination of the same.

(5) The term "costs" as applied to any project undertaken under this chapter includes the cost of labor, materials, and equipment necessary to complete the project in a satisfactory manner, cost of land acquired, and every expense connected with the project, including preliminary and other surveys, inspections of the work, engineers' fees and costs, attorneys' fees, preparation of plans and specifications, publication of ordinances and notices, interest which will accrue on the bonds until the due date of the first annual improvement assessment levied in connection therewith, a sum equal to any discount in the sale of the bonds (if discount bids are authorized and permitted by the governing body), a reasonable allowance for unforeseen contingencies, the printing of bonds, and other costs of financing which may include the payment of a fee to a fiscal agent for advice and assistance in the preparation and marketing of the bonds.

(6) The term "assessed value basis" means the plan for the levying of annual improvement benefit assessments on the basis of the assessed value of the benefited properties, as authorized by this chapter.

(7) The term "front-foot basis" refers to the plan for financing

improvements by apportioning the cost among benefited properties upon the basis of the number of linear feet thereof abutting upon the improvement project, as otherwise provided by law.

(8) The terms "property to be benefited", "properties to be benefited", "benefited property" and "benefited properties" all mean and refer to the property or properties defined in KRS 107.140.

Section 3.

KRS 107.030 is amended and re-enacted to read:

107.030 Procedure for use of alternate method. If a muncipality desires to authorize, construct, and finance an improvement pursuant to this chapter, its governing body shall initiate the proceedings by adopting an ordinance, herein called the "First Ordinance", and in which announcement shall be made (a) of the public way or ways (which need not be contiguous) proposed to be improved, the geographical limits of the proposed improvement in such manner as to identify the benefited properties, and/or (b) the identity of the property or properties to be benefited by sewer installations (which may include a sewage treatment plant) which properties may be identified by naming the public way or ways upon which they abutt, if any, or by geographical location; and in either case the nature and scope of the improvement, a preliminary estimate of the costs thereof, as submitted in writing by an engineer, or firm of engineers, holding a license from the Commonwealth of Kentucky, and the amount, if any, which the city proposes to appropriate from available city funds toward the estimated cost. In all succeeding proceedings, the city shall be bound and limited by the preliminary report of the engineer, or engineers, with regard to the nature, scope, and extent of the proposed improvement project (unless the First Ordinance be amended, as hereinafter provided); but shall not be bound by, or limited to, the preliminary estimate of costs. The costs shall be determined upon the basis of construction bids publicly solicited as hereinafter provided, and shall be binding upon the city, and upon the owners of property to be benefited by the proposed street improvement project, whether the same turn out to be equal to, below, or above such preliminary estimate. Architects, engineers, and fiscal agents may be employed without advertising or competition. The First Ordinance shall provide for a public hearing at a time and place specified therein (not less than one week after publication) and shall give notice that at such hearing any owner of property to be benefited may appear and be heard as to (1) whether the proposed project should be undertaken or abandoned, (2) whether the nature and scope of the project shall be altered, (3) whether the project shall be financed through the issuance of bonds according to the "assessed value basis," authorized by this chapter, or (4) whether the project shall be financed through assessments made and apportioned on a front-foot basis, as may otherwise be authorized by law. The First Ordinance shall be published as ordinances are required to be published, and if there be no requirement of publication, it shall, nevertheless, be published one time in a newspaper published in the city, or of general circulation in the City, or by posting copies in typewritten, mimeographed, or printed form in such number of public places in the city as the governing body may in said ordinance provide. The First Ordinance may designate a person, who may be the Mayor, (or the Chairman of the Board of Trustees) a member of the governing body, or any city official, to preside at and conduct such public hearing. In the absence of such designation in the ordinance, the mayor, chairman of the board of trustees, or a person designated by the mayor or chairman shall preside. Notwithstanding the foregoing, such public hearing shall not be deemed irregular or improper if it is in fact presided over and conducted at the designated time and place by any elected city officer or member of the governing body.

Section 4.

A new section of KRS is enacted, and may be designated KRS 107.085, to read:

In the event the owner or owners of all property or properties which will be subject to assessment for an improvement proposed to be undertaken shall tender to the city their written request or requests, that the improvement be undertaken and financed according to KRS 107.010 to 107.220, and shall waive the formalities of the "First Ordinance," the holding of a public hearing, the "Second Ordinance," and the provisions of KRS 107.060, permitting litigation; the governing body may, in its discretion, dispense with all of said proceedings and formalities, and may proceed as provided in KRS 107.090 with reference to the "Third Ordinance"; but in all such instances, the written requests of the owners of all properties which will be subject to assessment shall be in recordable form and shall be recorded in the office of the Clerk of the County Court of the County wherein the respective properties may be situated, and said Clerk is authorized to record such instruments as in the case of mortgages, and may charge and receive fees therefor as in the case of mortgages. Each ordinance by which an improvement is undertaken according to this section shall contain a recitation of the receiving of written requests and waivers from the owners of all properties which will be subject to assessment for each such improvement. In such instances the lien for which provision is made in KRS 107.160 shall attach upon publication of the ordinance (equivalent to the "Third Ordinance") which authorizes issuance of the improvement assessment bonds.

Section 5.

KRS 107.140 is amended and re-enacted to read:

107.140 Benefited property; what constitutes; action against county.

(1) (a) The benefited property shall consist of all real property abutting upon both sides of the improvement project, and the costs of improving intersections shall be included in the total costs to be assessed and apportioned, unless and to the extent the city shall appropriate, within constitutional limitations, from available funds, definite and specified sum as a contribution thereto, or a proportion of the aggregate cost, or the cost of specified portions of the improvement; provided, however, that if provisions shall be made for sidewalk improvements upon only one side of the project, the costs of the sidewalk improvement shall be ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assessment shall include a fair share of the overall costs, as herein defined, other than the amounts of the actual construction contracts.

(b) In the case of improvements for drainage sewage, storm water, or a combination thereof, the benefited properties shall consist of all properties which are thereby afforded a means of drainage, including not only the properties which may be contiguous to the improvements, but also adjacent properties within a reasonable distance therefrom as the governing body may in the proceedings set forth.

(c) In the case of an improvement project consisting in whole or in part of a sewage treatment plant, or enlargement or substantial reconstruction of an existing sewage treatment plant, the benefited properties shall be all those properties the sewage from which is treated in such plant, including properties already provided with sewer drainage facilities as well as those properties which the improvement project will provide with such drainage facilities, but the governing body may classify property according to the extent of benefits to be afforded to them, and may establish one rate of assessment applicable to all properties participating in the benefits of the sewage treatment installations, and an additional rate of assessment applicable to properties for which the improvement project will also provide sewer drainage facilities.

(d) The governing body may, either in the proceedings initiate an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare, that properties other than the properties originally benefited by an improvement under subsections (b) or (c) of this section, be permitted to connect to such sewer drainage and/or treatment facilities, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties, may, by paying charges for the privilege of connecting, and/or by assuming a share of street assessments, or otherwise, be placed as nearly as practicable on a basis of financial equity with the owners of properties initially provided to be assessed.

(2) Benefited property owned by the city, county or state, or owned by the United States Government or any of its agencies, if such property is subject to assessment by Act of Congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, state, or United States Government, as the case may be. The same right of action shall lie against the county as against a private owner. In the case of the state, the amount of the annual assessment shall be certified by the city treasurer to the Department of Finance, which shall thereupon draw a warrant upon the State Treasurer, payable to the city treasurer, for the amount thereof, and the State Treasurer shall pay the same out of any money in the State Treasury not otherwise appropriated. For the purpose of this chapter, all public school property shall be deemed to be property owned by the State as provided by KRS 162.010.

(3) No benefited property shall be exempt from assessment.

Section 6.

KRS 107.190 is amended and re-enacted to read:

107.190 Action by city where ordinances and proceedings encompass less than all the undertakings contemplated by KRS 107.020; where all are encompassed and city undertakes additional improvements. If the ordinances and proceedings authorized by this chapter shall encompass and include less than all of the undertakings authorized and contemplated by the definitions set forth in KRS 107.020, (i.e., a street improvement project with or without sidewalk, curb, gutter, and/or storm or surface water sewers or drains or sanitary sewers, or sewage treatment facilities), the city shall not be precluded from ordaining and requiring the omitted matters and structures to be constructed at the expense of the benefited properties at any time in the future, in accordance with the provisions of this chapter, or in accordance with any other applicable laws. If the improvement project shall encompass all of the elements included in the definition of "Improvement" or "Project" as set forth in this chapter, the city shall not thereafter undertake any project for any part of the improvements as herein defined except (a) at the exclusive cost of the city, or (b) at the cost of the benefited properties from and after fifteen years after completion and acceptance of the project.

Section 7. Declaration of Emergency.

It is hereby found and declared that numerous municipalities are in critical need of sewer facilities and sewage treatment plants which they are having difficulty in financing under existing statutory authority, and it is necessary and desirable in the interest of the public health, safety and general welfare, that the authority of this Act be made available to them during the entire period of favorable construction weather in 1960; accordingly an emergency is declared to exist and this Act shall take effect upon approval by the Governor.

HB 373, AN ACT relating to Cooperative Marketing Associations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 272.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The articles of incorporation of each association shall state:

(a) The name of the association;

(b) The purpose for which it is formed;

(c) The place where its principal business will be transacted;

(d) Its duration, which may be perpetual;

(e) The number of directors, their term of office, and the names and addresses of the incorporating directors;

(f) If organized without capital stock, whether the property rights and interest of each member are equal or unequal; and if unequal, the general rules applicable to all members by which the property rights and interests of each member shall be determined; and provision for the admission of new members who may all share in the property of the association with the old members; and

(g) If organized with capital stock, the maximum amount of stock and the number of shares into which it is divided and the par value; and if the stock is divided into preferred and common stock, a statement of the number of shares of stock to which preference is granted and the number to which no preference is granted and the nature and definite extent of the preference and privileges granted to each. No specific amount of the capital stock authorized shall be required to be subscribed before the corporation shall be permitted to transact business with others than its stockholders; the board of directors of the corporation may determine the amount of capital stock to be issued as the business of the corporation may justify or demand, from time to time, within the amount of the total authorization.

(2) The articles shall be signed, acknowledged, filed and recorded in accordance with the statutes relating to private corporations generally, and, in addition, a quadruplicate of the articles, endorsed by the Secretary of State with the fact and time of recording of the articles in his office, shall be filed with the Dean of the College of Agriculture of the University of Kentucky.

Section 2. Section 272.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The articles of incorporation may be amended at any regular meeting or any special meeting called for that purpose. An

amendment must first be approved by two-thirds of the directors and then adopted by a vote representing a majority of all the members of the association.

(2) Notwithstanding the provisions of subsection (1) of this section, an amendment whose only effect is to extend the period of such corporation's duration may be adopted by two-thirds of the directors, and shall become effective when signed and acknowledged by them, and filed and recorded pursuant to KRS 272.130.

(3) The provision of the articles required by paragraph (f) of subsection (1) of KRS 272.130 shall not be amended or repealed except by the written consent or vote of three-fourths of the members.

(4) For the recording of articles of incorporation or amendments thereto by the Secretary of State and county court clerk, and for the issuance of a certificate of incorporation or certificate of amendment by the Secretary of State, an association shall pay the same fees as are provided for such services in the statutes relating to private corporations generally.

Section 3. There is created a new Section in Chapter 272 of the Kentucky Revised Statutes to read as follows:

When an amendment to the articles of incorporation is adopted by virtue of subsection (2) of Section 2 of this Act, such an amendment shall be without prejudice to the right of any stockholder or member to withdraw from the corporation and receive the value in cash of his interest therein as appraised and determined by the Board of Directors as permitted by KRS 272.150 (2) (i).

HB 264, AN ACT relating to coal and other natural resources, to be known as the J. D. Smith Coal Research Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise, the term "research" includes scientific, technical, and economic research and the practical application of that research.

Section 2. The Department of Economic Development shall formulate and execute an extensive overall research program designed to develop new and more effective uses for coal and other natural resources and to improve and expand existing uses for coal and other natural resources.

Section 3. The department shall:

(1) Contract for, sponsor, cosponsor, and promote the coordination of research projects conducted by the federal government and its agencies, industrial associations, educational institutions, qualified nonprofit organizations, qualified private consulting firms, and other agencies. In this phase of the program the department

shall attempt to make use of every existing suitable research facility in Kentucky.

(2) Collect and promote the coordination of all available research information on the production, preparation, distribution, and uses of coal and other natural resources.

(3) Make available to the public generally all information, uses, products, processes, patents, and other developments resulting from research authorized by this Act.

(4) Cooperate to the fullest extent possible with all state government agencies, federal government agencies, departments, independent establishments, and all other interested agencies, governmental and non-governmental, public and private, domestic and foreign. Before the department initiates any research under the authority of this Act it shall first consult with such departments, agencies, or independent establishments of the federal government and of state governments in order to avoid duplication of effort and expense.

(5) Conduct research projects itself only when it is unable to contract or otherwise provide for the desired research to be conducted by any other qualified organization or medium on reasonable terms and conditions.

Section 4. (1) Whenever in the estimation of the department the purposes of this Act would be furthered through the use of patented processes or equipment, the department is authorized to enter into such agreements as it deems necessary for the acquisition or use of such patents on reasonable terms and conditions.

(2) The department is authorized to acquire by condemnation, purchase, lease, or otherwise such real property as may be necessary to enable it to carry out its duties under this Act.

(3) The department may accept funds that are donated or otherwise made available to it, and spend them in the program established by this Act.

Section 5. (1) The department may conduct the program established by this Act from one physical office. The office may be located in or near a government or academic research center, and it may be moved.

(2) The department shall employ a research specialist to conduct the program established by this Act, and such other employes as may be necessary. The research specialist shall be a person with experience in industrial or chemical research.

Section 6. The department may finance studies by academic institutions or academic persons under the program established by this Act. The department shall recommend to the Governor the institutions and persons to which and the specific purposes for which study grants should be made, and grants shall be made by the Governor. In making its recommendations the department may call special attention to institutions or persons that have developed or promise to develop a new chemical, a new by-product, or another derivative from coal or other natural resources.

Section 7. (1) To advise the department on the program established by this Act, the Resources Research and Development Advisory Committee is established. One of the members shall be the Superintendent of Public Instruction, and one shall be a representative of organized labor, to be appointed by the Governor. Members representing the coal industry and other members shall be appointed by the Governor.

(2) The members of the committee shall receive no salary for services performed on the committee, but may be reimbursed for necessary travel expenses incurred in connection with attendance at official meetings of the committee or of subcommittees.

Section 8. The Governor is authorized to further the program established by this Act by entering into appropriate agreements with other states.

Section 9. In cooperation with the Superintendent of Public Instruction and the governing bodies of the state institutions of higher learning, the department shall, wherever feasible, make plans and provisions for extending the program established by this Act into the regular courses of instruction in chemistry in the public high schools and junior colleges, and state universities and colleges.

HB 229, AN ACT relating to instruction permits for motor vehicle operators.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A high school student who has reached his fifteen birthday and must be enrolled in an accredited driver training course and who except for his age and lack of instruction in operating a motor vehicle would otherwise be qualified to obtain an operator's license, may make application for and obtain an instruction permit, to be issued by the circuit court clerk in the county of the applicant's residence. The permit holder shall have this permit in his possession and be accompanied by a qualified driver training instructor occupying the seat beside the operator at all times while operating a motor vehicle upon the highway.

HB 309, AN ACT relating to highway construction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 176.120 of the Kentucky Revised Statutes is hereby amended to read as follows:

The Department of Highways may cause any road construction or reconstruction work to be done by employes of the department instead of through contractors when, in the opinion of the commissioner as expressed in an official order:

(1) No satisfactory bid is received for the construction or reconstruction of the road after all necessary steps have been taken to obtain bids for such work, and the estimated cost of the project is less than $12,000.

(2) Emergency construction or reconstruction is made necessary by the fact that a highway has suddenly, by Act of God or accidental act, been rendered unusable and the urgency of need for construction or reconstruction is apparent.

(3) Construction or reconstruction of access roads would serve as an inducement to industrial location or substantial expansion, and the estimated cost of the project is less than $12,000.

(4) The work project is within the boundaries of property owned by other governmental agencies, and the estimated cost of the project is less than $12,000.

HB 383, AN ACT establishing a commission for the study and evaluation of the system of public education in Kentucky.

WHEREAS, a major portion of the appropriations from the General fund are made in support of the public education program; and

WHEREAS, Kentucky's growth in population will continue in the decade to come, resulting in the need for further expansion of educational facilities and programs; and

WHEREAS, no comprehensive study has been made with regard to the School Foundation Program or other public education programs; and

WHEREAS, Kentucky's desire for a continuous strengthening and improving of public education necessitates the continuing evaluation of the programs by educators and lay people alike.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1.

(1) In order to provide for the continuous study and evaluation of the Commonwealth's system of public education, there is hereby created a commission to be known as the Commission on Public

Education. The commission's staff constitutes an agency independent of state administrative departments.

(2) The commission shall consist of nine members known for their interest in and knowledge of the state's education system, said members to be appointed by the Governor. Not more than four of these members shall be educators. Three members shall be appointed for a term of two years; three for a term of three years; and three for a term of four years. These appointments shall be effective July 1, 1960. At the expiration of these terms appointments shall be for terms of four years. Appointments shall be made by the Governor to fill existing vacancies.

(3) The commission shall study the problems and evaluate programs of public education within the Commonwealth. Such studies and evaluations shall include but not be limited to present policies concerning public school transportation, free textbooks programs, school personnel, public school physical plants. The commission shall submit an annual report to the Governor and such special reports on its findings as the Governor may require.

(4) The chairman and vice-chairman of the commission shall be elected at the first meeting and each year thereafter. The commission may appoint an executive committee empowered to act for the commission in all matters. Meetings will be held at least four (4) times a year, but special meetings may be called at the discretion of the chairman. Commission members will be paid twenty-five dollars ($25.00) per diem plus expenses for each regular or special meeting which they attend.

(5) The Commission shall cause to be made such audits of the State Board of Education and of independent and county school districts as it shall deem necessary in order to properly inform itself as to whether funds are used efficiently and in accordance with law. The Commission shall evaluate and publish such audits whenever it considers such evaluation and publication to be in the public interest.

Section 2. The commission shall appoint an executive director who shall serve at the pleasure of the commission. His salary shall be fixed by the commission within the limits of the funds made available to the commission. The executive director may employ, with the approval of the commission, such staff as may be necessary to conduct studies and evaluations of programs of public education as provided in this Act.

Section 3. In order to carry out the provisions of this Act, there is hereby appropriated to the commission $75,000 each year of the 1960-62 biennium.

HB 184, AN ACT permitting fiscal courts to provide liability and indemnity insurance for benefits of patients of county operated hospitals and prescribing certain policy conditions, and amending Section 67.186 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 67.186 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fiscal court of any county in which there is a county operated hospital may provide for liability and indemnity insurance for the benefit of the hospital against the negligence of the employes of such hospital.

(2) The insurance policies so purchased by the fiscal court shall be purchased only from insurance companies authorized to transact business in this state, and any such policy shall bind the insurer to pay, subject to the terms and conditions of the policy, any final judgment, not in excess of the policy limits, rendered against the insured hospital or hospital employes for the death or injury of any patient, or damage to the property of any patient, resulting from the negligence of the hospital, its agents or employes.

(3) This Act shall not be construed as waiving the immunity of the county or county operated hospital from suit only to the extent of the policy limits, and no judgment may be enforced or collected against the county, fiscal court, the members thereof, or such hospital, but shall only measure the liability of the insurance carrier. No attempt shall be made in the trial of any suit to suggest the existence of any insurance which covers in whole or in part any judgment or award which has been rendered in favor of the claimant, but if the verdict rendered by the jury exceeds the limits of applicable insurance, the court shall reduce the amount of said judgment to a sum equal to the applicable limit stated in the policy.

SB 252, AN ACT relating to Industrial Development Finance Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 154.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be an Industrial Development Finance Authority in the state government which shall be an agency independent of the Executive Branch.

(2) The authority shall consist of the Commissioner of Banking, the Commissioner of Economic Development, the Commissioner of Economic Security, and the Commissioner of Finance, and five additional members appointed by the Governor, one each to be appointed from lists of nominees submitted by the Kentucky State

Bankers Association and the Kentucky Chamber of Commerce, and a third to be a Kentucky member in good standing of the National Association of Securities Dealers, and two from the public at large. The chairman shall be elected by the members from among the non-ex-officio members of the Authority.

(3) Two members initially appointed by the Governor shall be appointed for terms of one year and one member each for two, three and four years, respectively, from the date of their appointment and until their respective successors shall be duly appointed and qualified, the term of each appointed member to be designated by the Governor at the time of his appointment. Their successors shall each be appointed for a term of four years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Any appointed member of the authority shall be eligible for reappointment.

(4) Members of the authority shall be entitled to no compensation for their services as members, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

Section 2. For the purposes of carrying out the provisions of KRS 154.001 through 154.170 inclusive, there is hereby appropriated out of the General Expenditure Fund in the State Treasury for operating expenses of the Industrial Development Finance Authority the sum of thirty-five thousand dollars for the fiscal year 1960-1961.

Section 3. There is hereby appropriated out of the General Expenditure Fund in the State Treasury to the Industrial Development Finance Authority Revolving Fund as established by KRS 154.150 the sums of One Million Dollars for the fiscal year 1960-1961, and One Million Dollars for the fiscal year 1961-1962. Any unexpended fund remaining to the credit of the revolving fund at the end of fiscal 1960-61 shall be carried forward without lapse into fiscal 1961-1962.

SB 250, AN ACT to define, license, and regulate the business of making loans or advances in the amount or of the value of Eight Hundred Dollars ($800) or less, secured or unsecured, at a greater rate of interest, consideration or charges than six per centum (6%) per annum, prescribing the rates of interest and charges therefor and penalties for the violation thereof, regulating the assignment of wages or salaries, earned or to be earned, when given as security for any such loan or as consideration for the payment of Eight Hundred Dollars ($800) or less, providing for insurance and limitations thereon, providing for the administration of this Act, authorizing the making of examinations and investigations and the publication of reports thereof, providing for a review of decisions and findings of the Commissioner of Banking and repealing Chapter 288 of the Kentucky Revised Statutes, as amended, and all Acts and parts of Acts, whether general, special or local, which relate to the same subject matter as this Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Construction of Act.* (1) As used in this Act, unless the context requires otherwise:

(a) "Director" means the Commissioner of Banking; and

(b) "Licensee" means a person licensed under this Act; and

(c) "Person" means an individual, partnership, association, trust, corporation and any other legal entity.

(2) This Act shall not apply to any person doing business under and as permitted by any law of this state or of the United States relating to banks, savings banks, trust companies, trust, banking and title insurance companies, building and loan associations, cooperative marketing associations, credit unions, loan and investment companies, or licensed pawnbrokers. This Act does not apply to the purchase or acquisition, directly or indirectly, of notes, chattel mortgages, installment or conditional sales contracts, embodying liens or evidencing title retention arising from the bona fide sale of goods or services by a seller of such goods or services.

Section 2. *License required for consumer loan companies.* No person shall, without first obtaining a license from the director, engage in the business of making loans in the amount or of the value of eight hundred dollars or less at a greater rate of interest, or consideration therefor than six per cent per annum.

Section 3. *Form of application; Contents.* (1) Each application for a license under this Act shall be made in writing, under oath or affirmation, in such form as the director prescribes.

(2) The application shall contain:

(a) In the case of an individual, his name and the address of his residence and place of business;

(b) In the case of a partnership or association, the name and address of every member thereof and the address of the place where the business is to be conducted;

(c) In the case of a corporation, the names and addresses of the officers and directors thereof and the address of the place where the business is to be conducted; and

(d) Such additional information as the director prescribes.

Section 4. *Fees.* Each applicant at the time of making application shall pay fifty dollars to the director as a fee for investigating the application and the additional sum of two hundred and fifty dollars as an annual license fee for the period terminating on the last day of the current calendar year. If the application is filed after June 30 in any year, the payment shall be one hundred and twenty-five dollars as a license fee in addition to the fee for investigation. In addition to the annual license fee every licensee hereunder shall pay the same fees for each examination as are allowed by statute for the examination of banks.

Section 5. *Approval or rejection of application; Time limit.* (1) The director shall, after investigation, issue to the applicant a license to make loans in accordance with this Act, if the director:

(a) Approves the form of the application;

(b) Finds that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant is a partnership or association, and of the officers and directors thereof if the applicant is a corporation, are such as to command the confidence of the community and to warrant the belief that the business of the applicant will be operated honestly, fairly, and efficiently in accordance with the purposes of this Act;

(c) Finds that permitting such applicant to engage in such business will promote the convenience and advantage of the community; and

(d) Finds that the applicant has complied with Section 4 hereof.

(2) If the director does not so find, he shall not issue a license and shall notify the applicant of the denial and return the sum paid by the applicant as a license fee, retaining the fifty dollars investigation fee to cover the cost of investigating the application.

(3) The director shall approve or deny every such application for license within sixty days from the filing thereof with the fees unless the time is extended by a written agreement between the applicant and the director.

(4) All findings of the director, together with a summary of the evidence supporting them, shall be filed in the office of the director as public records, open to public inspection.

Section 6. *License; Contents; To be displayed; Change in place of business.*

(1) Every license shall state the address of the office at which the business is to be conducted, the name of the licensee, and if the licensee is a partnership or association, the names of the members thereof, and if a corporation, the date and place of its corporation.

(2) The license shall be kept displayed in the office of the licensee and shall not be transferable or assignable. Not more than

one place of business shall be maintained under the same license but the director may issue more than one license to the same licensee upon compliance with all the provisions of this Act for each license; provided, however, nothing herein shall be deemed to require a license for any place of business devoted to accounting, record-keeping or administrative purposes.

(3) Whenever a licensee desires to change his place of business to another location within the same county such licensee shall give written notice to the director, who, unless he finds within thirty days from the receipt of such written notice, that the interests of the community will not be served thereby, shall endorse on the license a transfer to the new place of business, with the date of transfer, which endorsement shall be authority for the operation of such business at the new location. No change in the place of business of a licensee to a location outside of the original county shall be permitted under the same license.

Section 7. *Regulations as to place of business.* (1) No licensee shall conduct the business authorized by this Act in any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except upon a written authorization from the director. Such authorization shall be granted unless the director finds that such operation will facilitate evasions of this Act. No licensee shall make any loan under this Act under any other name or at any other place of business than that stated in the license.

(2) Nothing in this Act shall be construed to limit the loans of any licensee to residents of the community in which the licensed place of business is situated, nor to prohibit the making and collecting of loans by mail.

Section 8. *Duration of license; Payment of annual fee.* Each license shall remain in full force and effect until it is surrendered by the licensee or suspended or revoked as provided in this Act. Each licensee shall, on or before each December 20, pay to the director the annual license fee for the next succeeding calendar year.

Section 9. *Revocation, Suspension, Surrender and reinstatement of licenses.* (1) The director may revoke any license issued under this Act if he finds:

(a) That the licensee has failed to pay his annual license fee; or

(b) That the licensee has violated any provision of this Act or has failed to comply with any rule or regulation lawfully made pursuant thereto; or

(c) That any fact or condition then exists which clearly would have warranted the director in refusing to issue a license on an original application; or

(d) That the licensee has failed to open an office for business within one hundred twenty days from the date the license is granted, or has failed to remain open for business for a period of one hundred twenty days, unless in each such case good cause be shown.

(2) The director may suspend any license for a period not exceeding thirty days, pending investigation of possible grounds for revocation under sub-paragraphs (b) or (c) of subsection (1) of this section.

(3) Before the revocation of a license under subsection (1), or suspension under subsection (2), the licensee shall be given ten days' written notice of the contemplated revocation or suspension of his license, the grounds therefor stated specifically, and a reasonable opportunity to be heard.

(4) The director may reinstate suspended licenses or issue new licenses to a licensee whose license has been revoked if no fact or condition then exists which clearly would have warranted him in refusing originally to issue such license under this Act.

(5) Any licensee may surrender any license by delivering it to the director together with written notice that he thereby surrenders such license.

Section 10. *Written order of denial or revocation; Right of appeal.* Whenever the director denies any application for a license under the provisions of this Act or revokes any license issued pursuant to this Act, he shall forthwith file in his office a written order to that effect, stating his findings with respect thereto and the reasons for his action. The director shall also forthwith serve upon the applicant for license or licensee a copy of the order, and the applicant or licensee may appeal to the circuit court of Franklin County, within thirty days after the service of a copy of the order.

Section 11. *Financial condition of licensee.* Each licensee shall have at all times a net worth of at least twenty thousand dollars and shall maintain at all times assets of at least twenty thousand dollars either in liquid form available for or actually used in the making of loans under this Act at the location specified in the license.

Section 12. *Prohibited advertisements and statements.* No licensee shall advertise, print, display, publish, distribute, broadcast or televise, or permit to be advertised, printed, displayed, published, distributed, broadcast or televised, any statement or representation with regard to the rates, terms, or conditions for making loans in the sum of eight hundred dollars or less, which is false, misleading, or deceptive.

Section 13. *Interest rate; Maximum charges allowed licensee; Loans not to be divided.* (1) Every licensee may lend any sum of money not exceeding eight hundred dollars, excluding charges, and may charge, contract for and receive thereon charges not in excess of twenty dollars per one hundred dollars on that part of the cash advance (the cash or its equivalent received by the borrower or paid out on his behalf or at his direction or request) not exceeding one hundred fifty dollars and fifteen dollars per one hundred dollars on that part of the cash advance exceeding one hundred fifty dollars but not exceeding six hundred dollars and eleven dollars per one hundred dollars on that part of the cash advance exceeding six hundred dollars btu not exceeding eight hundred dollars, when the loan is made payable over a period of one year, and, proportionately at those rates for a greater or a lesser amount, within said limits, or over a longer or shorter term of loan, and such rates shall be computed on the full amount of the cash advance for the full term of the loan contract, notwithstanding any agreement to repay the loan in installments. Such charges shall be added to the cash advance and the resulting sum shall become the face amount of the note.

(2) For the purposes of computation, whether at the maximum rate or less, a month shall be that period of time from any date in a month to the corresponding date in the next month and if there is no such corresponding date then to the last day of such month, and a day shall be considered one-thirtieth of a month when such computation is made for a fraction of a month. The portion of the charges applicable to any particular monthly installment period, as originally scheduled or following a deferment, shall bear the same ratio to the total charges, excluding any adjustment made pursuant to subsection (3) hereof, as the balance scheduled to be outstanding during that monthly period bears to the sum of all monthly balances scheduled originally by the contract of loan.

(3) A licensee and borrower may agree that the first installment date may be not more than fifteen days more than one month and the amount of such installment may be increased by one-thirtieth of the portion of the charges applicable to a first installment period of one month for each extra day.

(4) If one-half or more of any installment remains unpaid more than seven days after it is due, the licensee may charge and collect a default charge not exceeding two cents for each one dollar of the scheduled installment, and such charge may be collected for each full month thereafter the installment remains unpaid.

(5) If the payment of all wholly unpaid installments on which no default charge has been collected is deferred one or more full months, the licensee may charge and collect a deferment charge

not exceeding two cents for each one dollar of the sum of the installments so deferred, multiplied by the number of months the maturity of the contract is extended; provided, however, that such number of months shall not exceed the number of installments which are due and wholly unpaid or due within fifteen days from the date of deferment. The deferment charge may be collected at the time of deferment or at any time thereafter. Any payment received at the time of deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract, provided, however, that if such payment is sufficient to pay, in addition to the appropriate deferment charge, any installment which is in default and the applicable default charge, it shall be first so applied and any installment shall not be deferred or subject to the deferment charge. At the time a deferment is made the borrower shall be given a statement or receipt showing the amount of the deferment charge, the date and amount of the next scheduled payment and the number of remaining scheduled payments.

(6) If the contract of loan is prepaid in full by cash, a new loan or otherwise before the final installment date, the portion of the charges applicable to the full installment periods following the installment date nearest the date of prepayment shall be refunded. Any default or deferment charges which are due and unpaid may be deducted from such refund. The tender by the borrower or at his request of an amount equal to the unpaid balance less the required refund must be accepted by the licensee in full payment of the contract. If judgment is obtained before the final installment date the contract balance shall be reduced by the refund which would be required for prepayment in full as of the date judgment is obtained. No refund of less than one dollar need be made; no refund for partial prepayments need be made.

(7) If two or more full installments are in default for one full month or more at any installment date and if the contract so provides, the licensee may reduce the contract balance by the refund or credit which would be required for prepayment in full on such installment date. Thereafter, in lieu of charging, collecting or receiving charges as provided in subsections (1) to (6) inclusive, charges may be charged, collected and received as provided by subsection (8) hereof until the contract is fully paid.

(8) In lieu of computing and collecting charges as provided in subsections (1) to (6) inclusive of this section a licensee may contract for, collect and receive on loans of eight hundred dollars or less charges not exceeding three per cent per month on that part of the unpaid principal balance of the loan not in excess of one hundred fifty dollars and two per cent per month on that part of the unpaid principal balance exceeding one hundred fifty dollars but not exceeding six hundred dollars and one per cent per month on that

part of the unpaid principal balance exceeding six hundred dollars but not exceeding eight hundred dollars. Such charges shall not be paid, deducted, received in advance or compounded but shall be computed, collected and received only on unpaid principal balances for the time actually outstanding. The definition of a month and of a day in subsection (2) hereof shall apply for the purposes of such computations.

(9) If part or all of the consideration for a contract of loan is the unpaid principal balance of a prior loan with the same licensee then the principal amount payable under such contract of loan shall not include any unpaid charges on the prior loan except such charges which have accrued within sixty days before the making of such new contract of loan and may include the balance remaining after giving the refund required by subsection (6) hereof.

(10) In addition to the charges provided for in this Act no further charge or amount whatsoever for any examination, service, brokerage, commission, expense, fee, or bonus or other thing shall be directly or indirectly charged, contracted for, or received, except the lawful fees actually and necessarily paid out by the licensee to any public official for filing, recording or releasing in any public office any instrument securing the loan; the identifiable charge or premium for insurance provided for in Section 16 hereof; or fees for noting or releasing a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this Act. If any amount in excess of the amounts authorized by this Act is charged, contracted for or received, except as the result of an accidental or bona fide error, the contract of loan shall be void and the lender shall have no right to collect or receive any principal, charges or recompense whatsoever.

(11) No licensee shall induce or permit any borrower to split up or divide any loan nor permit any one borrower or any husband or wife individually or together to become indebted to him under more than one contract of loan at the same time if the actual amount of the indebtedness on any one of such contracts is in the amount or of the value of eight hundred dollars or less and there is charged, contracted for, or received thereon, directly or indirectly, by any device, subterfuge, or pretense whatsoever, any interest, or consideration therefor greater than would otherwise be permitted by this Act.

(12) No licensee shall directly or indirectly charge, contract for or receive any interest or consideration greater than the lender would be permitted by law to charge if he were not a licnsee hereunder upon any loan in the amount or of the value of more than eight hundred dollars, excluding charges, or in any case in which the licensee permits any individual as borrower, endorser, guarantor, or surety for any borrower, or otherwise, to owe on any loan or

loans directly or contingently, or both, to the licensee at any time the sum of more than eight hundred dollars for principal, excluding charges.

Section 14. *Duties of licensee.* Every licensee shall:

(1) Deliver to the borrower at the time of making a loan, or to one of them if there are two or more obligors on the loan, a statement showing in clear and distinct terms the amount and date of the loan and the date of its maturity, the nature of the security for the loan, the name and address of the borrower and of the licensee, the schedule of payments or a description thereof, and the agreed charges or rate of charge on such loan provided, that when charges are contracted for under Section 13 (1), the statement shall show the cash advance and the amount of the note including charges, the additional charges contracted for in case of default or deferment and that a refund is required for prepayment in full.

(2) Furnish to the borrower a receipt for each cash payment made on account of any loan at the time each payment is made but no receipt need be given where payment is made by check or money order; and the use of a coupon book system shall be deemed compliance with this section;

(3) Upon the repayment of the loan in full, mark indelibly with the word "Paid" or "Canceled" every obligation signed by the borrower and release or provide the borrower with evidence to release any mortgage which no longer secures an obligation, restore any pledge, and cancel and return every note and assignment given to the licensee by the borrower.

Section 15. *Payment of loan.* The borrower may pay all, or any part of any loan equal to one or more full installments, at any time during the regular business hours of the licensee, but the licensee may apply any such payment first to all accrued charges in full up to the date of such payment.

Section 16. *Insurance.* Nothwithstanding the provisions of this or any other law:

(1) A licensee may request a borrower to insure tangible personal property, except household goods, offered as security for a loan exceeding three hundred dollars under this Act against any substantial risk of loss, damage or destruction for an amount not to exceed the actual value of such property or the approximate amount of the loan, which ever is greater, and for a term and upon conditions which are reasonable and appropriate considering the nature of the property and the maturity and other circumstances of the loan; provided such insurance is sold by a licensed agent, broker or solicitor.

(2) A licensee may also request as security for any loan obliga-

tion insurance on the life of the borrower, or one of them if there are two or more, which shall be in the approximate amount of the indebtedness scheduled to be due the licensee under the loan contract. Not more than one policy of life insurance may be written in connection with any loan transaction under this Act. The premium rate for life insurance provided under this section shall be reasonable in relation to the death benefit required hereunder and shall be filed with the Commissioner of Insurance. The Commissioner of Insurance shall, within 30 days after the filing of any premium rate, disapprove such premium rate if it is excessive in relation to the benefits. In determining whether to disapprove any premium rate, the Commissioner of Insurance shall give due consideration to the mortality cost with respect to life insurance on borrowers under this Act or similar Acts in other states, a reasonable margin for underwriting expense and profit and contingencies to the insurer, and cost and compensation to the licensees for providing and servicing such insurance, plus the premium taxes payable on such life insurance.

(3) In accepting any insurance provided for by this section as security for a loan the licensee, its officers, agents or employees may deduct the premiums or identifiable charge therefor from the proceeds of the loan, which premium or identifiable charge shall not exceed the rate filed with the Commissioner of Insurance and not disapproved and remit such premiums to the insurance company writing such insurance and any gain or advantage to the licensee or any employee, officer, director, agent, affiliate or associate from such insurance or its sale shall not be considered as additional or furtheir charge in connection with any loan made under this Act. The arranging for and collecting of an identifiable charge shall not be deemed the sale of insurance.

(4) Every insurance policy or certificate written in connection with a loan transaction pursuant to subsection (2) hereof shall provide for cancellation of coverage and a refund of the premium or identifiable charge unearned upon the discharge of the loan obligation for which such insurance is security without prejudice to any claim. Such refund shall be under a formula filed by the insurer with the Commissioner of Insurance.

(5) Whenever insurance is written in connection with loan transaction pursuant to this section the licensee shall deliver or cause to be delivered to the borrower a policy, certificate or other memorandum which shall show the coverages and the cost thereof, if any, to the borrower within thirty days from the date of the loan.

(6) All such insurance shall be written by a company authorized to conduct such business in this state and the licensee shall not require the purchase of such insurance from any agent or broker designated by the licensee nor shall the licensee decline existing coverages which equal or exceed the standards of this section.

Section 17. Wage purchases; Assignment of compensation. (1) The payment of eight hundred dollars or less in money, credit, goods, or things in action, as consideration for any sale, assignment, or order for the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, shall be deemed for the purposes of regulation under this Act, a loan secured by such assignment, and the amount by which such assigned compensation exceeds the amount of such consideration actually paid shall be deemed for the purposes of regulation under this Act interest or charges upon such loans from the date of payment to the date such compensation is payable. Such transaction shall be governed by and subject to the provisions of this Act.

(2) No assignment of or order for payment of any salary, wages, commissions, or other compensation for services, earned or to be earned, when taken as security for any loan made under this Act, shall be valid unless the amount of the loan is paid to the borrower simultaneously with its execution. Under any assignment of or order for the payment of future salary, wages, commissions, or other compensation for services given as security for a loan made under this Act, there shall not at any time be collectible from the employer of the borrower more than ten per cent of the amount then owing the borrower for any such salary, wages, commissions or other compensation for services.

Section 18. Prohibited conduct. (1) No licensee shall take any confession of judgment or any power of attorney running to himself or to any third person to confess judgment or to appear for the borrower in a judicial proceeding; nor take any note or promise to pay that does not disclose the date and amount of the loan obligation, a schedule or description of the payments to be made thereon, and the rate or aggregate amount of the agreed charges; nor take any instrument in which blanks are left to be filled in after the loan is made.

(2) No licensee shall enter into any contract of loan under this Act under which the borrower agrees to make any scheduled repayment of principal more than twenty-five months from the date of making such contract and every such contract shall provide for repayment of the amount lent in substantially equal installments at approximately equal periodic intervals of time; provided, however, that when appropriate for the purpose of facilitating payment in accordance with the seasonable nature of obligor's main source of income, payments may be deferred or omitted, if all the other payments are increased in such manner that such other payments are substantially equal in amount and sufficient in the aggregate to retire the loan in the period of months as hereinabove provided.

(3) Lien upon real estate as security prohibited. No licensee shall take any lien upon real estate as security for any loan under this Act, except such lien as is created by virtue of a judgment or decree.

Section 19. Licensee to make annual report. Each licensee shall annually on or before April 15, file with the director a report for the preceding calendar year. Such report shall give information with respect to the financial condition of such licensee and shall include; the name and address of the license; balance sheets at the beginning and end of the accounting period; a statement of income and expenses for said period; a reconciliation of surplus or net earnings with the balance sheets; a schedule of assets used and useful in the consumer loan business; an analysis of charges, and types of security on loans of eight hundred dollars or less; an analysis of delinquent accounts; analysis of suits, repossessions and sales of chattels and such other relevant information as the director may reasonably require concerning the business and operations during the preceding calendar year of each licensed place of business conducted in the state. In the event any person or affiliated group of corporations hold more than one license in the state, he or they may file a composite annual report in lieu of separate reports for each licensed office. Such report shall be made under oath and in the form prescribed by the director, who shall make and publish annually an analysis and recapitulation of such reports.

Section 20. Records, extent and preservation of. Each licensee shall keep and use in his business and shall preserve for at least two years after making the final entry therein, such books, accounts, records, or card systems in accordance with sound accounting principles and practices to enable the director to determine whether the licensee is complying with the provisions of this Act, and with the regulations made pursuant thereto.

Section 21. Director to make regulations; Examination of licensees. (1) The provisions of this Act shall be enforced by the director, who may, after notice to licensees and a hearing, promulgate regulations, referenced to the section or sections which set forth the legislative standards they interpret or apply, for the proper conduct of the business licensed under this Act. All regulations of general application shall state the date of promulgation and the effective date. A copy of every such regulation shall be sent to all licensees before the effective date thereof and a copy shall be kept in an indexed permanent book in the office of the director as a public record.

(2) The director shall make an annual examination of the affairs, business, office, and records of every licensee, and such further examinations or investigations as he deems necessary for the purpose of discovering violations of this Act or of securing information necessary for its proper enforcement.

(3) For the purpose of making such examinations or investigations the director and his representatives may require the attendance of and examine under oath all persons whose testimony he may re-

quire, relative to the loans or business of any such licensee, and shall have free access to the accounts, papers, records, files, safes, vaults, offices, and places of business used in connection with any business conducted under any license issued in accordance with this Act.

Section 22. Public policy. (1) No person, except as authorized by statute, shall directly or indirectly by any device, subterfuge or pretense whatsoever, charge, contract for or receive or participate as agent, broker or in any other capacity in charging, contracting for or receiving any interest, discount or consideration greater than six per cent per annum upon any loan in the amount of or the value of eight hundred dollars or less.

(2) Any loan in the amount of eight hundred dollars or less for which there has been charged, contracted for or received a greater rate of interest, discount or consideration, except as provided for by statute, is against the public policy of this state.

(3) No such loan made outside this state shall be enforced in this state and every person participating therein in this state shall be subject to the provisions of this Act, but this section does not apply to loans legally made in any state, county, commonwealth, territory or district.

Section 23. Review. In addition to any other available remedy, any person considering himself aggrieved by any act or omission of the director may, within thirty days from the date of such act or failure to act, bring an action in the circuit court in and for Franklin County to review such act or omission. The hearing before the court shall be based on the record before the director and his findings, if any, and on such new evidence as may be introduced.

Section 24. Impairment of Contracts. This Act or any part thereof may be modified, amended or repealed so as to effect the cancellation or authorization of any license or right of a licensee hereunder, provided that such modification, amendment or repeal shall not impair or affect the obligation of any pre-existing lawful contract between any licensee and any borrower.

Section 25. Pre-Existing Licenses. Any person having a license under Chapter 288, KRS in force when this Act becomes effective shall be deemed to have a license under this Act. The director shall, within a reasonable time after the effective date of this Act, issue new licenses to such persons.

Section 26. Penalties. (1) Any person who shall engage in the business regulated by this Act without first securing a license therefor shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than five hundred dollars nor more than one thousand dollars. Any such loan contract made in violation of this Act shall be void and the lender shall have no right to collect any principal, charges or recompense whatsoever.

(2) Any licensee who, after a cease and desist order shall have been issued by the director, shall violate any provision of this Act shall, upon conviction thereof, be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, in addition to the penalty prescribed in Section 13 hereof, if applicable, provided, however, this section shall not be deemed to limit the power of the director to revoke any license as provided in Section 9 hereof.

Section 27. Repeal. (1) Chapter 28, KRS is hereby repealed.

(2) Nothing in this Act shall be construed so as to impair or affect the obligation of any contract of loan between any licensee under Chapter 288, KRS and any obligor, which was lawfully entered into prior to the effective date of this Act.

Section 28. Separability. If any one or more of the clauses, sentences, phrases, words, sections, provisions or parts of this Act be adjudged to be unconstitutional or invalid for any reason by a court of competent jurisdiction, such shall not impair, affect or invalidate the remainder of this Act, which shall remain in force and effect.

SB 251, AN ACT relating to issuance of general obligation bonds of the Commonwealth for state parks and for highways, bridges and tunnels.

WHEREAS, by Chapter 3, Acts of the Second Extraordinary Session of 1956, the General Assembly authorized issuance by the Commonwealth of its general bonds in the principal amount of one hundred million dollars to match federal funds for construction of highways, bridges and tunnels; and according to Section 50 of the Constitution of the Commonwealth, provided for submission of said Act to the voters at the general election on November 6, 1956; and

WHEREAS, said Act was duly approved and issuance of said bonds authorized by an overwhelming majority at said election, and subsequently seventy million dollars of said bonds have been issued; but in said Act it was and is provided that the bonds be sold for not less than their par or face amount, and that none of such bonds bear interest at a rate exceeding three per cent per annum, payable semiannually; and by reason of unfavorable changes in financial conditions, which were not foreseen or anticipated, the Commonwealth for a number of months has been unable to sell the authorized and unissued thirty million dollars of said bonds upon permissible terms, despite increasingly urgent and critical need of the proceeds thereof for the proper designated purposes, with the result that the highway construction program of the Commonwealth has virtually been brought to a standstill; and

WHEREAS, the General Assembly recognizes additional needs of the citizens of the Commonwealth for construction of highways, bridges and tunnels, and for the establishment and development of state parks and development and improvement of existing state parks; and

WHEREAS, in the event the said heretofore authorized but presently unissued thirty million dollars of bonds are successfully marketed under the above-stated restrictive conditions, or are made marketable, as herein proposed, by realistic removal by the voters of the three percent interest rate limitation, it appears said additional forseeable needs will be sufficiently served if no more than one hundred million dollars of additional bonds are authorized to be issued from the proceeds of which ninety million dollars would be allocated to construction of highways, bridges and tunnels, and ten million dollars to establishment, development, and improvement of state parks; and the General Assembly deems it to be provident, expedient and in the public interest that this Act be duly submitted for approval of the citizens and voters in the manner contemplated by the Constitution of the Commonwealth; now therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Efforts to sell authorized and unissued bonds under existing restrictions to be continued; if effort unsuccessful, proposal to remove interest rate limit to be submitted to voters at an election.*

(a) The State Property and Buildings Commission (hereinafter sometimes referred to as the "Commission") is enjoined to continue its best efforts to sell and issue the heretofore unissued thirty million dollars of the Commonwealth's general obligation bonds, as provided in Chapter 3, Acts of the Second Extraordinary Session of 1956, which was approved by the voters at the election held on November 6, 1956 (such bonds, for convenience, being sometimes hereinafter referred to as the "unissued 1956 bonds"; and the aforesaid issue of which the same constitute a part being sometimes hereinafter referred to as the "1956 bonds"). In doing so, the Commission shall in all respects observe the restrictive conditions presently applicable to said unissued 1956 bonds, in that any sale or sales shall be for not less than par or face amount with accrued interest to delivery, and at a rate or rates of interest not exceeding, as to any bond, three per cent per annum, payable semi-annually, and all of such bonds shall be caused to mature as to principal within thirty years from January 1, 1957.

(b) Unless said unissued 1956 bonds are successfully sold by the Commission on or prior to August 31, 1960, a proposal as set forth in this Act shall be submitted to the qualified voters of the Commonwealth at the regular election scheduled by law to be held on

November 8, 1960, seeking the voters' authorization and approval of removing, as to said unissued 1956 bonds, the three per cent interest rate limitation presently applicable thereto. Inasmuch as said unissued 1956 bonds have been taken into account in determining the amount of money otherwise necessary to be provided through issuance of additional bonds as hereinafter set forth, such proposal that the voters remove said existing interest rate limitation as to the unissued 1956 bonds shall appear on the ballots at the election to be held on November 8, 1960, as a part of the ballot question submitting for authorization and approval this Act as a whole and the proposed issuance of an additional one hundred million dollars of general obligation bonds of the Commonwealth for state parks, and for highways, bridges and tunnels, as hereinafter provided. In such event the form of the question which shall be caused to appear upon the ballots at the election on November 8, 1960, shall be as set forth in Section 6 of this Act.

(c) In the event the said unissued 1956 bonds are successfully sold by the Commission on or prior to August 31, 1960, according to the presently existing interest rate limitation, the Commission shall, not later than September 1, 1960, so notify the Secretary of State of the Commonwealth; and inasmuch as there will then no longer be any occasion to seek authorization of the voters for removal of said interest rate limitation, the question to apear upon the ballots submitting this Act for authorization and approval of the voters at the election on November 8, 1960, shall be as provided in Section 7 of this Act.

(d) Based upon representations made by the Commission as set forth in this Section 2, the Secretary of State shall, after September 1, 1960, determine whether the form of question to be used in submitting this Act to the voters for authorization and approval at the election on November 8, 1960, shall be as set forth in Section 6 hereof, or as set forth in Section 7 hereof, and shall certify the applicable form of ballot question to the respective County Court Clerks at the same time that candidates for public office are provided to be certified pursuant to KRS 119.140; and when each County Court Clerk causes the ballots to be printed according to KRS 118.190 the form of question so certified by the Secretary of State shall be caused to appear thereon with appropriate spaces for the voters to designate "Yes" or "No" as provided in KRS 118.170 (3).

Section 3. Commonwealth to contract additional indebtedness not to exceed one hundred million dollars for parks, and for highways, bridges and tunnels; submission to voters at an election on November 8, 1960, according to Section 50 of the Constitution. Subject to the provisions of Section 50 of the Constitution of the Commonwealth, as hereinafter provided, a direct indebtedness of the Commonwealth in the principal amount of one hundred million dollars in addition to the 1956 bonds, and in addition to any and all other bonds and indebtedness of the Commonwealth, shall be incurred by the Commonwealth through issuance of its general obligation bonds, for the prompt payment of which when due, both principal and interest, the full faith, credit, resources and unlimited taxing power of the Commonwealth shall irrevocably be pledged; and from the proceeds thereof not to exceed ten million dollars shall be and are hereby appropriated and shall be used for establishment, development, and improvement of state parks and for development and improvement of existing state parks; and not to exceed ninety million dollars shall be and are hereby appropriated and shall be used for construction of highways, bridges, and tunnels, wherein there is to be federal cost participation (all of said bonds, for convenience, being sometimes hereinafter referred to as the "1960 bonds"). As provided in Section 50 of the Constitution of the Commonwealth, no part of said indebtedness shall be incurred unless authorized and approved by a majority vote upon submission to the voters at an election as hereinafter provided. Such submission shall be at the regular elections which are to be held on November 8, 1960.

Section 4. Bonds for park purposes and bonds for highways, bridges and tunnels to be designated distinguishably; separation of proceeds.

(a) Bonds of the ten million dollars authorized for state park purposes, and bonds of the ninety million dollars authorized for highways, bridges and tunnels shall be given separate and distinguishable designations by resolution of the Commission prior to the issuance of any of the 1960 bonds; and in all proceedings relating to authorization, sale and delivery the identity of the bonds shall be manifest; provided, however, the Commission may in its discretion, at one time or from time to time, offer for sale, upon the same occasion, all or any part of both of the separately designated blocks of bonds.

(b) The proceeds of bonds issued for park purposes shall be segregated by the Commission from all other monies and funds and shall constitute the "State Park Acquisition and Improvement Fund," hereby created; and expenditures therefrom shall be made upon order of the Commission of Parks subject to financial and budgetary procedures as may be provided by law only for costs of establishing, developing and improving state parks, and developing and improving existing state parks, and upon order of the Commission for defraying expenses incident to the issuance of bonds. Pending expenditure, such proceeds shall be deposited in one or more financial institutions, and each institution shall give security by making a valid pledge to the Commonwealth of United States Government securities approved by the Commission and having an aggregate market value at all times at least equal to the current balance of the depost; provided, however, the Commission may, in its discretion, cause all or any part of the monies in the said "State Park Acquisition and Improvement Fund" to be invested and from time to time reinvested in United States Government securities, and income received from such investments shall be retained in said fund and may be invested and reinvested in like manner. Securities held for the account of said fund shall be converted into cash, upon order of the Commission, and disbursed and expended whenever required for the designated purposes of the Fund.

(c) The proceeds of bonds issued for highways, bridges and tunnels shall be segregated by the Commisison from all other monies and funds and shall constitute the "State Highway Construction Fund of 1960", hereby created; and expenditures therefrom shall be made upon order of the Commissioner of Highways of the Commonwealth for construction of highways, bridges and tunnels wherein there is to be federal cost participation; and by the Commission for defraying expenses incident to the issuance of bonds. Pending expenditure, such proceeds may be deposited, secured, invested, reinvested and converted into cash in the same manner as is provided in subsection (b) with reference to the proceeds of the bonds issued for park purposes.

Section 5. Bonds for park purposes and bonds for highways, bridges and tunnels to have separate sources of payment of principal and interest; provisions for levying taxes as required by the Constitution. All of said 1960 bonds shall, as aforesaid, be direct general obligation bonds of the Commonwealth and shall be issued with an irrevocable pledge of the full faith, credit, resources and unlimited taxing power of the Commonwealth, but in accordance with the mandatory requirement of Section 50 of the Constitution of the Commonwealth there shall be levied and collected, annually, taxes sufficient to pay the interest stipulated, and to discharge the debt within 30 years, as follows:

(a) In order to provide for the payment of the stipulated interest, and to discharge within 30 years the indebtedness to be evidenced by the ten million dollars of 1960 bonds to be issued for acquisition, development and improvement of state parks and for development and improvement of existing state parks, there shall be levied and collected annually so long as any of such bonds are outstanding and unpaid, taxes of the Commonwealth upon all real property, tangible personal property, and intangible personal property from time to time subject to taxation by the Commonwealth, at rates not less than now imposed by law or rates so adjusted as not in any event to jeopardize the prompt payment of principal of and interest on said bonds when due and payable. All proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ten million dollars of 1960 bonds designated for state park purposes, as and when such principal and interest, respectively, shall become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury in the "Park Bond Sinking Fund", hereby created, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said bonds when and where due and payable, until all of said bonds, or such lesser amount thereof as may have been issued within 30 years from date of first issue shall have been paid in full. In each year, after setting aside such prescribed amount into the Park Bond Sinking Fund, the remainder of the proceeds of said identified taxes shall be available for any proper general fund purposes of the Commonwealth without restriction.

Monies from time to time set aside and deposited in said Park Bond Sinking Fund, as hereinabove provided, may be invested by the State Investment Commission from time to time in U. S. Government securities which mature, or are subject to redemption at the option of the holder, at or before the various times when cash funds will be required for payment of the maturing principal of and interest on said identified bonds; and income received from such securities shall be retained in the said Park Bond Sinking Fund and may be taken into consideration in the next ensuing annual determination of the amount of such tax proceeds required to be set aside into the said fund as herein-above provided.

(b) In order to provide for the payment of the stipulated interest, and to discharge within 30 years the indebtedness to be evidenced by the ninety million dollars of 1960 bonds to be issued for the construction of highways, bridges and tunnels there shall be levied and collected, annually, taxes of the Commonwealth for the benefit of the State Road Fund in the form of license, excise taxes and fees relating to registration, operation and use of vehicles on public highways and excise taxes, use and license fees and taxes relating to gasoline and other motor fuels consumed upon the public highways in the Commonwealth, at rates not less than the rates now imposed by law or at rates so adjusted as to produce for the Road Fund not less than the amount now derived from all such sources. Subject to certain prior vested rights hereinafter enumerated, all proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ninety million dollars of 1960 bonds designated for the highways, bridges and tunnels, as and when such principal and interest, respectively, become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury into the "Highway Bond Sinking Fund of 1960", hereby created within the State Road Fund, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said identified bonds when and where due, until all of said bonds, or such lesser amount thereof as may have been issued within such period of 30 years, shall have been paid in full; provided, however, monies in said fund may be invested pending disbursement as in the case of monies in the Park Bond Sinking Fund as herein above provided. In setting aside monies from the proceeds of such taxes and fees into the Highway Bond Sinking Fund of 1960, due regard shall be had for any and all vested rights in and to such proceeds existing in favor of (i) the holders of general obligation bonds of the Commonwealth heretofore or hereafter issued and outstanding pursuant to Chapter 3, Acts of the Second Extraordinary Session of 1956, as authorized and approved by the voters at the general election on November 6, 1956 (ii) the holders of revenue bonds issued for constructing the turnpike between Louisville and Elizabethtown, Kentucky, as provided in KRS Chapter 177 and in a certain trust agreement made in connection with the issuance of said bonds, including recognition of the commitment of the Commonwealth to pay the cost of maintaining, repairing and operating said turnpike (iii) the holders of revenue bonds issued for the construction of certain bridges as set forth in KRS Chapter 180 and in certain trust indentures securing such bridge revenue bonds, including the commitment of the Commonwealth to pay the cost of operating and maintaining such bridges (iv) the holders of valid contracts of the Department of Highways which are in existence on the respective dates any bonds are issued pursuant to this Act and (v) the right of the several counties of the Commonwealth to receive distribution of certain revenues for the respective County Road Funds as provided in KRS 47.020. The right is reserved to the Commonwealth to provide in the future for the construction of additional turnpikes and bridges and financing the same by issuing revenue bonds; and in all such instances the Commonwealth shall have the right to create for the security and source of payment of such revenue bonds a first and prior pledge of and lien upon any and all revenues identified as being generated by such respective projects. In each year, after setting aside into the 1960 Highway Bond Sinking Fund the amount herein prescribed, and after due recognition of the rights enumerated above, the remainder of the proceeds derived from such taxes and fees may be expended and used for any lawful and proper purposes of the State Road Fund as otherwise permitted by the Constitution and laws of the Commonwealth.

Section 6. In the event the unissued 1956 bonds are not sold by the Commission on or prior to August 31, 1960, as provided in Section 1(b) of this Act, the form of the question which shall be caused to appear upon the ballots at the occasion of the general election to be held on November 8, 1960, shall be as follows:

GENERAL OBLIGATION BONDS OF THE
COMMONWEALTH FOR HIGHWAYS AND PARKS

"Are you in favor of the Act of the General Assembly known as

House Bill No. ______, enacted at the regular session of 1960, wherein it is proposed to remove the three per cent interest rate limitation presently applicable and permit the otherwise lawful rate to apply to unissued bonds of the Commonwealth's issue of general obligation bonds for highways, bridges and tunnels, authorized by the voters at an election held on November 6, 1956, and that the Commonwealth issue and sell additional general obligation bonds in the principal sum of one hundred million dollars from the proceeds of which ten million dollars will be set aside for establishing, developing, and improving state parks and developing and improving existing state parks, and ninety million dollars will be set aside for constructing and improving highways, bridges and tunnels in the Commownealth wherein there is to be federal cost participation?"

Section 7. In the event the said unissued 1956 bonds are sold by the Commission on or prior to August 31, 1960, the form of the question which shall be caused to appear on the ballots at the occasion of said general election to be held November 8, 1960, shall be as follows:

GENERAL OBLIGATION BONDS OF THE COMMONWEALTH FOR HIGHWAYS AND PARKS

"Are you in favor of the Act of the General Assembly known as House Bill No. ______, enacted at the regular session of 1960, wherein it is proposed that the Commonwealth issue and sell its general obligation bonds, in addition to all bonds heretofore authorized by the voters, in the principal sum of one hundred million dollars from the proceeds of which ten million dollars will be set aside for establishing, developing, and improving state parks and developing and improving existing state parks, and ninety million dollars will be set aside for constructing and improving highways, bridges and tunnels in the Commonwealth wherein there is to be federal cost participation?"

Section 8. This Act shall be submitted to the people of the Commonwealth at the general election to be held on November 8, 1960. The fact of such submission shall be publicly advertised in the following ways:

(a) It shall be the duty of the Secretary of State, immediately after September 1, 1960, to determine whether the ballot question shall be the one set forth in Section 6 of this Act, or the one set forth in Section 7 hereof, and to inform the Attorney General of the Commonwealth of such determination. It shall then be the duty of the Attorney General to prepare and furnish to the Secretary of State, not later than September 15, 1960, a form of "Notice of Election," which shall be so designated, shall conform to any requirements otherwise provided by law for notices of elections, and further shall set forth the proper ballot question in full, and this Act in full, with provisions for the signature of the Secretary of State.

The Secretary of State shall transmit a copy of such form of "Notice of Election" to each of five daily newspapers of bona fide general circulation, published in different areas of the Commonwealth and selected in the discretion of the Secretary of State, with directions that the same be published in each of such newspapers in the form of a legal notice, in one issue published in each of the calendar weeks commencing on Mondays, October 10, 17, 24, and 31, 1960, but not in any Sunday issue. Each such newspaper shall publish the same as directed, in the size type customarily used by it in publishing legal notices, and shall be entitled to payment according to its standard prevailing rate for publication of legal notices. After the last publication, each such newspaper shall provide to the Secretary of State, with or before its bill for publication, at least three copies of an affidavit sufficient to constitute proper proof of publication, and if the Secretary of State finds the same to be in order he shall be authorized to draw a warrant upon the State Treasurer for payment from uncommitted monies in the general fund of the Commonwealth.

(b) The Secretary of State shall deliver a copy of said form of "Notice of Election" to the State Printer, and thereupon the State Printer shall promptly prepare and furnish to the Secretary of State at least 125 copies of such notice in the form of handbills of sufficient size and type composition as to be ordinarily legible. The Secretary of State shall furnish a copy of the notice in such handbill form to the Clerk of the County Court of each County of the Commonwealth, and it shall be the duty of each County Court Clerk, upon receiving the same, to post the same at or near the County Courthouse Door, or otherwise as notices of judicial sales and other Court proceedings are customarily posted.

(c) Each County Court Clerk shall cause a facsimile of the ballot question to be published as may be required by law.

(d) If the Secretary of State shall perform in proper and timely fashion each of the duties provided in this Section to be performed by him, any failure of others to perform duties and functions as herein provided shall not invalidate the election as to approval or disapproval of this Act, if upon consideration of the Commonwealth as a whole, it shall appear that the qualified voters were fairly apprised of the election.

Section 9. Said election shall be conducted in conjunction with the regular elections otherwise provided by law to be held on the same day, by the same election officers and at the same polling places. The votes cast in favor of and against this Act shall be canvassed and certified to the State Board of Election Commissioners as in the case of votes cast in the election of officers of the state at large. If it be found that a majority of the votes cast on the question were in favor of this Act, the State Board of Election Commissioners shall so certify to the Governor and the Governor shall proclaim that this Act has been approved and is in effect.

Section 10. If the question submitting this Act to the people at said election on November 8, 1960, shall have been in the form set forth in Section 6 hereof, then from and after the proclaiming by the Governor that this Act has been approved and is in effect, any unissued bonds of the issue for highways, bridges and tunnels, as proposed by Chapter 3, Acts of the Second Extraordinary Session of 1956, approved and authorized by the voters at the election held on November 6, 1956, as aforesaid, may be sold and issued by the Commission, at one time or from time to time, in strict conformity with all provisions of said Chapter 3, Acts of the Second Extraordinary Session of 1956, with the sole exception that pursuant to the voters' authorization and approval of this Act, the heretofore prevailing interest rate limitation of three per cent per annum may be disregarded and any or all of said bonds may be sold and issued to bear any interest rate or not exceeding the then prevailing maximum rate as prescribed by statute in and for the Commonwealth generally.

Section 11. *Bonds to mature in thirty years; other details to be established by the State Property and Buildings Commission.* If this Act be approved by a majority of the votes cast thereon at said election, the initial date of issue of the 1960 bonds shall be established by resolution of the State Property and Buildings Commission prior to the first issuance and sale of any of said bonds; and thereafter all of the 1960 bonds, whenever issued, shall be dated as of said date, and shall mature as to principal on or prior to the thirtieth anniversary thereof. The bonds shall be sold for not less than par or face amount and shall bear interest at such rate or rates, but not to exceed the rate referred to in Section 10 hereof, as said Commission may determine, and interest may be made payable semi-annually. The bonds may be issued at one time or from time to time as the State Property and Buildings Commission may determine by its resolution or resolutions; and said Commission shall in its discretion determine all details thereof, including but not by way of limitation, their denominations, whether the bonds shall be of term or serial maturities, and the amount which shall mature on any serial maturity date; whether the bonds, or any of them, shall be subject to redemption prior to stated maturities and upon what terms; place or places of payment of principal and interest, which may be within the Commonwealth or outside thereof; whether interest shall be evidenced by annexed coupons; whether the bonds shall be registered or registrable as to principal or interest, or both, and any other details not contrary to law or inconsistent with this Act which in the discretion of said Commission may appear wise and expedient.

Section 12. *Bonds to be sold at public sale or sales; manner of* *advertising; interest rates to be established by the Commission and may be determined on basis of competition.* The bonds shall be sold by the Commission, in its discretion, at one sale or from time to time as funds are required for the identified purposes. Each sale shall be upon sealed purchase bids which shall be publicly opened and considered after solicitation at least ten days in advance by publication of a notice at least one time in a financial newspaper or journal published in the City and State of New York, and at least one time in a daily newspaper published in the Commonwealth and of bona fide general circulation throughout the Commonwealth. The Commission may fix one or more interest rates by resolutions adopted prior to publication of the solicitation notice, or may notify bidders to stipulate in their bids one or more interest rates of their own choosing and fix the rate or rates by resolution when action is taken upon the bids. The Commission shall reserve the right to reject bids.

Section 13. *Bonds exempt from taxation; designation of signing officers; temporary bonds or certificates, no other approvals required.* The bonds and receipt of interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions, municipalities and taxing districts. The bonds shall be signed in the name of the Commonwealth by the facsimile signatures of the Governor and Treasurer of the Commonwealth, and the Great Seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the validating manual signature of the Secretary of State, and the interest coupons, if any, shall be executed by the facsimile signature of the Treasurer. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before delivery of the bonds, such signature or facsimile thereof shall, nevertheless, be valid and sufficient for all purposes, the same as if he had remained in office until delivery. All bonds issued under this Act shall have and are hereby declared to have all the incidents of negotiable instruments. Prior to the preparation of definitive bonds, the Commission may issue temporary bonds or certificates, exchangeable for definitive bonds when the same shall have been executed and are ready for delivery; and provision may also be made for the replacement of any bonds which shall become mutilated, or be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth and without any other proceedings or the happening of any conditions, events or things other than the proceedings, conditions, events and things which are specifically required by this Act.

Section 14. As used in this Act, "year" means the fiscal year of the Commonwealth, commencing on the first day of July, and ending on the next ensuing thirtieth day of June, unless the context clearly shows a different meaning.

SB 253, AN ACT relating to education of exceptional children and making an appropriation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is enacted to read as follows:

(1) In lieu of the statutory requirements concerning education of exceptional children and until such time as the local boards of education are able to provide adequate instruction and facilities for exceptional children in their respective districts, private schools that are now established and are providing instruction and facilities for exceptional children may qualify as State schools for exceptional children.

(2) To qualify as a State school for the exceptional children a private school shall:

(a) Submit to the State Board of Education with its application for such qualification the names and addresses of the governing body of the school. The State Board of Education may approve or disapprove the governing body as it exists or may appoint such additional members thereto as it deems advisable;

(b) Submit the type of instruction and program now being provided, the qualifications of the instructors employed and the facilities now available. The State Board of Education may approve or disapprove the program, personnel or faciltiies now existing or it may make its approval contingent on such recommended improvements as it deems advisable.

(3) Once a school has qualiifed as a State school for exceptional children, the State Board of Education upon the recommendation of the Superintendent of Public Instruction may allow to such school one hundred dollars annually per exceptional child in average daily attendance; provided that such school meets and continues to meet the standards promulgated by the State Board of Education for schools qualifying under this section.

(4) To carry out the provisions of this section there is hereby appropriated from the General Fund in the State Treasury seventy-five thousand dollars for the fiscal year 1960-61 and seventy-five thousand dollars for the fiscal year 1961-62.

SB 257, AN ACT relating to urban renewal and redevelopment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 99.420 of the Kentucky Revised Statutes is amended to read as follows:

Whenever in the opinion of the agency, land or other property, right of way or easement over or through any property is needed by the agency in order to accomplish the purpose or purposes of KRS 99.330 to 99.510, it may by resolution authorize the purchase or condemnation in the name of the agency, of said land or other property, or right of way or easement necessary for such purpose, and may proceed to condemn and acquire such property in the following manner:

(1) The proceedings for condemnation shall be in the circuit court in which the property sought to be condemned, or the greater part thereof, lies. The proceedings shall be in the name of the agency. Proceedings shall be commenced by filing a complaint against all persons having an interest in the property, describing the property, right of way (if any) or easement (if any) sought to be condemned, and which complaint shall include a request for the court, or a judge thereof if the court is in vacation, to appoint commissioners to assess the value which the owners thereof may be entitled to receive. The owners of two or more different properties sought to be condemned for the same purpose may be joined and proceeded against in a single action, but the lands and properties of each shall be separately described.

(2) Upon the filing of the complaint, the Circuit Court, or a judge thereof, shall, in writing, forthwith appoint three disinterested, impartial citizens and residents of the county, who shall be sworn by the Court, a judge thereof, or by any person authorized to administer oaths, to faithfully, fairly and impartially discharge their duties. The order appointing the commissioners shall be filed in the office of the Clerk of the Circiut Court immediately upon its signing, and shall become part of the proceedings as of the date filed. In the event any person so appointed fails, refuses or becomes incapable of acting, the court, or judge thereof, shall forthwith appoint a qualified person to fill the vacancy. A majority of the commissioners appointed and qualified shall have the power to act and to make and sign the award and report.

(3) The commissioners shall immediately upon their appointment take the oath of office, and shall enter in and upon the property, right of way (if any) or easement (if any) sought to be condemned, and shall view same. They may hear evidence or make any inquiry they desire touching the value thereof. They shall award to the owner or owners of each parcel of land and property the value thereof. Property owned by the same owner or owners, which is contiguous and adjacent may be considered as one parcel and may be included by the commissioners under a single award. If less than an entire parcel of contiguous property belonging to the same owner or owners is sought to be condemned, the commissioners shall also award to said owner or owners any incidental damages, if any, resulting to his or their remaining adjacent or contiguous land, considering the purpose and purposes for which it is taken, but they shall deduct from the inci-

dental damages, if any, the value of any advantages and benefits that will accrue to such remaining adjacent and contiguous land from the proper use of the property, right of way (if any) or easement (if any) for the purposes or uses intended. The award of the commissioners shall promptly be filed by them, in writing, in the office of the Circuit Clerk, and shall be styled "Report and Award of Commissioners".

(4) Immediately upon the filing of the report and award of the commissioners, the Clerk of the Circuit Court shall cause summons and process to issue against the defendants. The summons shall have attached to it a copy of the report and award of the commissioners and shall be issued in the same form and in the same manner as provided for upon the filing of a complaint under the Rules of Civil Procedure, provided that said summons shall also contain the notification that exceptions to the report and award of the commissioners must be filed within the same period of time as required for appearance and defense of the complaint. The action and proceedings shall be carried on as nearly as may be as ordinary civil actions at law are conducted. Non-residents and persons under disability shall be proceeded against as provided by the Rules of Civil Procedure. Defenses and exceptions for non-residents and persons under disability may be made and filed by any person authorized to make defense for such persons under the Rules of Civil Procedure.

(5) Any answer or other pleading filed by any defendant in response to the summons shall be confined solely to the question of the right of the agency to condemn the property sought to be condemned, but without prejudice to the right of the defendant, then and thereafter, within proper time, to file exceptions to the amount of compensation awarded in the report and award of the commissioners. Any issue raised in the answer or other pleading filed, putting in issue the right of the agency to condemn the property shall be promptly heard and decided by the court, without a jury. If the Court finds the agency has no right to take the property in condemnation for the purpose or uses sought, it shall dismiss the complaint at the costs of the agency.

(6) If answer or other pleading is timely filed putting in issue the right of the agency to condemn the property, the time for filing exceptions to the report and award of commissioners shall automatically be extended to a time not later than ten (10) days after the decision by the Court of said issue, and if the court decides that the agency does have the right to take the property in condemnation for the purposes or uses sought, it shall be the duty of the defendants to file exceptions, should they desire so to do, to the report and award of commissioners within said ten days, if same has not theretofore been filed. If the defendants do not file an answer or pleading putting in issue the right of the agency to condemn the property, or having filed same is not sustained by the Court, and, in either event, if the agency

and the defendants do not file exceptions to the report and award of commissioners within the time provided, then the amount of the award set forth in the report and award of commissioners shall become final and not subject to exception or review and shall become and be entered as the judgment of the Court setting and fixing the value of the land to be taken, and incidental damages to the remainder, if any. The agency shall have twenty (20) days from the filing of the report and award of commissioners to file its exceptions, should it desire so to do, unless answer or other pleading be filed by defendants, in which event the agency shall have ten (10) days after the decision by the court on the issue raised by the answer or pleading to file its exceptions. If exceptions are based on the ground that the award of the commissioners is too small or too great, the exceptions must be accompanied by an affidavit of the party excepting, his agent or attorney, stating the amount of the award and damages, if any, the party believes is just and reasonable. For the purpose of appeal, the difference between the amount awarded by the commissioners and the amount the excepting party claims would be just and reasonable shall be the amount in controversy.

(7) If timely exceptions to the report and award of commissioners be filed by any of the parties, the matter of the value of the property sought to be condemned shall forthwith be submitted to a jury to determine and assess value and damage, if any, and the case shall be advanced and have preference over other common law cases on the docket. In assessing value and damages, if any, the report and award of the commissioners shall not be permitted to be introduced or become substantive evidence in the case for the consideration of the jury, but nothing shall prevent the commissioners from testifying, subject to the same rules as apply to other witnesses, in which event either party may question the commissioners concerning their report and award. Upon request of any of the parties, the court may, in its discretion, send the jury to view the premises, except that if the property be taken under Interlocutory Judgment, as hereinafter provided, the jury's right to view shall be limited and restricted to the land only, if the buildings and appurtenances thereon and thereto have been removed or substantially altered and changed, and the court shall so instruct the jury. Jurors shall have the same qualifications as jurors in civil cases. They may or may not be residents of the city or governmental division in which the land, or the greater portion thereof, lies but shall be residents of the County wherein same, or the greater portion threeof, lies. A unanimous verdict of all jurors shall be required, but only the foreman of the jury need sign the verdict.

(8) Upon final determination of all issues raised either by answer or other pleading, or by exceptions to the report and award of commissioners, or if no answer, pleadings or exceptions be filed by any of the parties, the Court shall forthwith enter a Judgment, which

shall be a Final Judgment, and shall make such orders as may be necessary and proper for the conveyance of such land, property and rights, if any, to the agency, upon the payment into Court through the Clerk of the Circuit Court by the agency of the amount set forth in the said judgment of the court, vesting in the agency absolute fee simple title to said land, property and rights, if any, and as described in the complaint, or any supplement or amendment thereof. In the event the owners fail, refuse or are unable to convey to the agency full and complete fee simple title to said land, property and rights, free, clear and unencumbered, the court shall thereupon cause the commissioner of its court, or a special commissioner appointed by the court for that purpose, to execute and deliver to the agency a deed of conveyance therefor, which deed of conveyance shall be executed as nearly as practicable in accordance with the rules governing the conveyance of property by commissioners when sold under order of court, including all the right, title and interest which the defendants and each of them had, or may have had therein; provided, however, that the agency, if it has not taken same under Interlocutory Judgment, may abandon its right to take said land, property and rights, if any, and same shall be deemed abandoned by it in the event it does not pay into court within sixty (60) days from the date of the entering of the final judgment, the amount set forth therein as the amount to be paid by the agency for the taking thereof. The bond provided for by Rule 4.11 of the Rules of Civil Procedure shall not apply and be required of the agency in any action for condemnation brought hereunder.

(9) Notwithstanding any other provision of this section, the agency may, prior to the entering of a final judgment, and at any time after the report and award of commissioners is filed in the circuit court, and notwithstanding exceptions have been or may be filed, file a demand for an Interlocutory Judgment. Copy of said demand shall be served upon defendants or their attorney or the person authorized to make defense for any nonresident or person under disability, at least ten (10) days prior to presentment to the Court, or a judge thereof, the demand for an Interlocutory Judgment, in the manner provided by Rule 5 of the Rules of Civil Procedure. The Court, or judge thereof, shall thereupon enter an Interlocutory Judgment granting and awarding to the agency immediate possession and full and complete use and control of the land and property sought to be condemned, and the agency shall thereupon be entitled to take possession thereof and to use and control same, including the right to remove, demolish, raze and do away with all buildings, structures and appurtenances thereon or thereto belonging, without let, hindrance, interruption or interference by the defendants, or anyone claiming under them, as fully as if title had been conveyed to it, and the Court, or judge thereof, shall enforce same by appropriate order and proceedings; provided, however, that before any Interlocutory

Judgment is entered, the agency shall pay into the Court, by depositing with the Clerk of the Circuit Court, the amount contained and set forth in the report and award of commissioners, and shall at the same time file with the Clerk a bond, with surety approved by the Court, a judge thereof, or the Clerk of the Circuit Court, conditioned upon the agency paying to the defendants the difference between the sum paid into court, and that which may thereafter be finally determined to be the value of the property or property rights, if any, or incidental damages, if any, unless the agency shall have sufficient sums duly appropriated, properly allocated to that purpose and on deposit to pay for any money judgments, including costs adjudged against the agency, that may thereafter be rendered against it, and further provided that such facts are alleged in its complaint or in any supplement or amendment thereto, in which event a bond shall not be required of it. If an interlocutory judgment is entered, and no answer, pleading or exceptions have been or are thereafter filed within time by any of the parties, final judgment shall be entered as provided for in sub-paragraph 8 above. If answer, pleading or exceptions are filed, the case shall proceed as provided for in cases where no interlocutory judgment has been demanded and entered, and wherein answer, pleading or exceptions are filed, and the interlocutory judgment shall remain in full force and effect. If the final judgment is greater than the amount paid into court by the agency under the report and award of the commissioners, the agency shall thereupon pay into court by depositing with the clerk of the Circuit Court the difference between the amount paid by the agency under the interlocutory judgment and the amount finally determined by the final judgment to be the value. If the difference be less, then the court shall direct the clerk to return and refund the difference to the agency out of the amount paid into court under the Interlocutory Judgment, if said sum has not been withdrawn by the defendants, or if withdrawn by the defendants, the court shall enter judgment in favor of the agency against the defendants and their surety for said difference, together with interest at six (6%) percent per annum on the amount of the decrease from the date of withdrawal. The defendants, upon the payment by the agency into court of the amount set forth in the report and award of the commissioners, may ,upon written demand, a copy of which shall be served upon the agency or its attorney at least ten (10) days prior to withdrawal of the funds, subject to approval by the court, withdraw from the clerk of the Circuit Court the said amount, provided defendants execute a bond, with surety approved by the Court, or a judge thereof, conditioned upon the payment to the agency by the defendants of any amount which may be determined to be the difference between the amount paid into court by the agency and the final judgment in the case, should it be finally determined that the amount paid into the court by the agency was greater than the amount set forth in the final judgment, and/or that the defendants receiving the funds were not the proper persons to receive same. The withdrawal of the amount by the defendants shall not prejudice or prevent defendants from filing answer, pleading or exceptions in the case, or from pursuing same if already filed, or taking any appeal, the same as if no withdrawal had been made. If defendants withdraw the amount paid into court by the agency, they shall be entitled to interest at six (6%) percent per annum from the date of the taking of possession by the agency only on the amount by which said sum may thereafter be increased. If defendants do not withdraw the amount paid into court by the agency, they shall be entitled to interest at six (6%) percent per annum from the date of the taking of possession by the agency only on the amount determined by the final judgment to be the value and amount defendants are entitled to receive for the land and property taken. The demand for an interlocutory judgment and the entering thereof is an additional remedy and right granted the agency, and the case shall continue and be disposed of in the same manner as if no interlocutory judgment had been demanded or entered.

(10) All money paid into court, or to the Clerk of the Circuit Court, whether under an Interlocutory Judgment or a final judgment shall be received and held by the Clerk subject to the order of the Court, and the Clerk and his sureties on his official bond shall be responsible to the persons entitled thereto.

(11) Where there are conflicting interests and claims in land and property sought to be condemned and all such parties are before the Court, the claims and equities of any claimant and owner shall be decided by the Court or jury, as the case may be, and the funds paid into Court under an interlocutory judgment or final judgment shall be subject thereto. Such claims or determination of rights shall in no wise stay or delay said condemnation proceedings.

(12) Action filed prior to the effective date of this Act shall proceed and be concluded in accordance with the provisions of KRS 99.420 in effect at the time of the filing of the action, and for such purpose only, same shall be deemed to continue in effect.

(13) If more than one piece of property is involved, owned by different persons, the jury shall render a separate verdict as to the property of each person, or the court may direct a separate trial for each piece of property owned by different persons. If the verdict of the jury is more favorable to the party excepting the award of the commissioners, the additional costs accrued by reason of the filing of exceptions and subsequent proceedings shall be taxed against the other party, otherwise such additional costs shall be taxed against the party excepting. In either event the agency shall pay all costs of the proceedings other than the additional costs incurred by reason of filing exceptions.

(14) An appeal may be taken by either party in interest from the circuit court to the Court of Appeals in the manner, for any of the causes and subject to the rules provided by general laws regarding appeals from circuit court to the Court of Appeals, but no appeal or supersedeas shall suspend the right of the agency to have possession of the property, easement or right of way condemned. Such appeals shall be advanced on the Docket of the Court of Appeals.

(15) A slum area or blighted area acquired for a housing project by the housing commission of the community may be included in a redevelopment area and the use of such area for redevelopment shall be a public use as though such area were originally acquired for a redevelopment project.

Section 2. Section 99.555 of the Kentucky Revised Statutes is created to read as follows:

In addition to the power and authority of any agency under KRS 95.550, such agency shall have the power and authority to act and receive grants from the Federal Government, local government, or any other sources, for the preparation, planning and completion of community renewal programs, and as authorized and provided for by Section 405 of the Federal Housing Act of 1959, amending and adding to Section 103 of the Housing Act of 1949, as amended. Communities and other public bodies shall, in addition to the assistance permitted to be given by them under KRS 99.560, have the power and authority to provide, either directly or to the agency, that portion of the total cost of the preparation, planning and completion of the community renewal program for which a grant is not made by the Federal Government under said Section 405 of the Federal Housing Act of 1959.

HB 179, AN ACT relating to perpetual care-type cemeteries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) Any person, firm or corporation, except a religious organization, engaged in the business of ownership, maintenance or operation of a cemetery which represents to the public that perpetual, permanent, continual, eternal care or care of like duration will be furnished cemetery property sold, shall cause to be established in a bank authorized by law to administer trust funds an irrevocable trust fund to be known as a perpetual care and maintenance fund. The income of such fund shall be used solely for the general care, maintenance and embellishment of the cemetery.

(2) (a) Any cemetery required to establish a perpetual care and maintenance fund under the provisions of this Section, shall place at least twenty percent of the gross selling price of each lot or grave space into this fund.

(b) 1. Cemeteries located in counties in which the population is 100,000 or more, or cemeteries located to serve a market area of 100,000 or more, shall deposit $15,000. 2. Cemeteries located in counties in which the population is 50,000 or more, or cemeteries located to serve a market area of 50,000 or more, shall deposit $10,000. 3. Cemeteries located in counties where the population is less than 50,000 and the market area they will serve is less than 50,000, shall deposit $5,000.

(3) The initial deposit in the perpetual care fund provided for in Section 1 shall remain intact until the total amount of the trust is twice the amount of the original deposit at which time the original deposit may be withdrawn, in no case shall this fund be less than $12.50 per grave space.

(4) The Department of Banking may at any time investigate a cemetery authority with respect to books of account and records concerning care funds and the books of account and records of any trustee of such funds. The Department of Banking may accept an examination of such funds if it is made by a Certified Public Accountant and a copy of the examination is furnished to it.

Section 2. Any cemetery coming within the provisions of Section 1 of this Act, shall file in its principal office an annual statement which shall state the amount of the principal of the perpetual care and maintenance fund, the total amount invested in lawful investments and the amount of cash on hand which shall show the true financial condition of the trust.

Section 3. Any person, firm, or corporation intentionally violating any provision of this Act shall, upon conviction, be fined not less than one thousand dollars nor more than twenty-five hundred dollars or confined in prison not less than one nor more than five years.

SB 255, AN ACT relating to the Uniform Gifts to Minors Law.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 385.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Adult" is a person who has attained the age of twenty-one years;

(2) "Bank" includes every corporation authorized by law to do a banking business;

(3) "Broker" is a person lawfully engaged in the business of effecting transactions in securities for the account of others. The term includes a bank which effects such transactions. The term also includes a person lawfully engaged in buying and selling securities for

his own account, through a broker or otherwise, as a part of a regular business;

(4) "Court" means the chancery division of the circuit court;

(5) "The custodial property" includes:

(a) all securities and money and life insurance under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in this chapter;

(b) the income from the custodial property; and

(c) the proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinstatement or other disposition of such securities, money and income;

(6) "Custodian" is a person so designated in a manner prescribed in this chapter;

(7) "Guardian" of a minor includes the general guardian, guardian, tutor or curator of his property, estate or person;

(8) "Issuer" is a person who places or authorizes the placing of his name on a security, other than as a transfer agent, to evidence that it represents a share, participation or other interest in his property or in an enterprise or to evidence his duty or undertaking to perform an obligation evidenced by his security, or who becomes responsible for or in place of any such person;

(9) "Legal representative" of a person is his executor or the administrator, general guardian, guardian, committee, conservator, tutor or curator of his property or estate;

(10) "Life insurance" shall be deemed to include only insurance on the life of a minor or a member of the minor's family as herein defined;

(11) "Member" of a "minor's family" means any of the minor's parents, grandparents, brothers, sisters, uncles and aunts, whether of the whole blood or the half blood, or by or through legal adoption;

(12) "Minor" is a person who has not attained the age of twenty-one years;

(13) "Security' includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate, or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing. The term does not include a security of which the donor is the issuer. A security is

in "registered form" when it specifies a person entitled to it or to the rights it evidences and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer;

(14) "Transfer agent" is a person who acts as authenticating trustee, transfer agent, registrar or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of surrendered securities; and

(15) "Trust company" includes every corporation authorized to do a trust business.

Section 2. Section 385.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) An adult person may, during his lifetime, make a gift of a security, money, or life insurance to a person who is a mnor on the date of the gift:

(a) If the subject of the gift is a security in registered form, by registering it in the name of the donor, another adult person, an adult member of the minor's family, a guardian of the minor, or a trust company, followed, in substance, by the words: "as custodian for ---------- (name of minor) ---------- under the Uniform Gifts to Minors Act";

(b) If the subject of the gift is a security not in registered form by delivering it to an adult person other than the donor, an adult member, other than the donor, of the minor's family, a guardian of of the minor, or a trust company, accompanied by a statement of gift in the following form, in substance, signed by the donor and the person designated as custodian:

"GIFT UNDER THE UNIFORM
GIFTS TO MINORS ACT

I, ---------- (name of donor) ----------, hereby deliver to --------- (name of custodian) ---------, as custodian for -------- (name of minor) ------------ under the Uniform Gifts to Minors Act, the following security (ies): (insert an appropriate decsription of the security or securities delivered sufficient to identify it or them)

------ (signature of donor) ------------ (name of custodian) ------------ hereby acknowledges receipt of the above described security (ies) as custodian for the above minor under the Uniform Gifts to Minors Act. Dated: ------------------------------

---- (signature of custodian) ----;

(c) If the subject of the gift is money, by paying or delivering it to a broker or a bank for credit to an account in the name of the donor, another adult person, an adult member of the minor's family, a guardian of the minor, or a bank with trust powers, followed, in substance, by the words: "as custodian for ---------- (name of minor) ---------- under the Uniform Gifts to Minors Act;

(d) If the subject of the gift is life insurance, the ownership of the policy of life insurance shall be registered by the donor of such policy in his own name or in the name of an adult member of the minor's family or in the name of any guardian of the minor, followed by the words "as custodian for ---------- (name of minor) ----------, a minor under section 385.020 of the Kentucky Revised Statutes" and such policy of life insurance shall be delivered to the person in whose name it is thus registered as custodian. If the policy is registered in the name of donor, as custodian, such registration shall of itself constitute the delivery required by this section.

(2) Any gift made in a manner prescribed in subsection (1) may be made to only one minor and only one person may be the custodian;

(3) A donor who makes a gift to a minor in a manner prescribed in subsection (1) shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian, but neither the donor's failure to comply with this subsection, nor his designation of an ineligible person as custodian, nor renunciation b ythe person designated as custodian affects the consummation of the gift.

Section 3. Section 385.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) A gift made in a manner prescribed in this chapter is irrevocable and conveys to the minor indefeasibly vested legal title to the security, money, or life insurance given, but no guardian of the minor has any right, power, duty or authority with respect to the custodial property except as provided in this chapter.

(2) By making a gift in a manner prescribed in this chapter the donor incorporates in his gift all the provisions of this chapter and grants to the custodian, and to any issuer, transfer agent, bank, broker or third person dealing with a person designated as custodian, the respective powers, rights and immunities provided in this chapter.

Section 4. Section 385.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) The custodian shall collect, hold, manage, invest and reinvest the custodial property.

(2) The custodian shall pay over to the minor for expenditure by him, or expend for the minor's benefit, so much of or all the custodial property as the custodian deems advisable for the support, maintenance, education and benefit of the minor in the manner, at the time or times, and to the extent that the custodian in his discretion deems suitable and proper ,with or without court order, with or without regard to the duty of himself or of any other person to support the minor or his ability to do so, and with or without regard

to any other income or property of the minor which may be applicable or available for any such purpose.

(3) The court, on the petition of a parent or guardian of the minor or of the minor, if he has attained the age of fourteen years, may order the custodian to pay over to the minor for expenditure by him or to expend so much of or all the custodial property as is necessary for the minor's support, maintenance or education.

(4) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of twenty-one or, if the minor dies before attaining the age of twenty-one years, he shall thereupon deliver or pay it over to the estate of the minor.

(5) The custodian, notwithstanding statutes restricting investments by fiduciaries, shall invest and reinvest the custodial property as would a prudent man of discretion and intelligence who is seeking a reasonable income and the preservation of his capital, except that he may, in his discretion and without liability to the minor or his estate, retain a security given to the minor in a manner prescribed in this chapter.

(6) The custodian may sell, exchange, convert or otherwise dispose of custodial property in the manner, at the time or times, for the price or prices and upon the terms he deems advisable. He may vote in person or by general or limited proxy a security which is custodial property. He may consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution or liquidation of an issuer, a security of which is custodial property, and to the sale, lease, pledge or mortgage of any property by or to such an issuer, and to any other action by such an issuer. He may execute and deliver any and all instruments in writing which he deems advisable to carry out any of his powers as custodian.

(7) The custodian shall register each security which is custodial property and in registered form in the name of the custodian, followed, in substance, by the words: "as custodian for ---------- (name of minor) ---------- under the Uniform Gifts to Minors Act." The custodian shall hold all money which is custodial property in an account with a broker or in a bank in the name of the custodian, followed, in substance, by the words: "as custodian for ---------- (name of minor) ---------- under the Uniform Gifts to Minors Act." The custodian shall keep all other custodial property separate and distinct from his own property in a manner to identify it clearly as custodial property.

(8) The custodian shall keep records of all transactions with respect to the custodial property and make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor, if he has attained the age of fourteen years.

(9) A custodian has and holds as powers in trust with respect to the custodial property, in addition to the rights and powers provided in this chapter, all the rights and powers which a guardian has with respect to property not held as custodial property.

(10) If the subject of the gift is life insurance, the custodian shall have all of the incidents of ownership in the life insurance policies which he may hold as custodian to the same extent as if he were the owner thereof personally. The designated beneficiary of any such policy of insurance held by a custodian shall be the minor or, in the event of his death, the minor's estate.

SB 239, AN ACT relating to conservation officers.

WHEREAS, the conservation officer's of the Department of Fish and Wild Life Resources have duties and encounter hazards more closely allied to those of the State Police than to those of other state employes, resulting in the need for a retirement system similar to that of the State Police,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) Notwithstanding anything to the contrary contained in KRS 16.605 through KRS 16.990 and KRS 61.510 through 61.700, the Governor by appropriate Executive Order, may transfer from the membership of the Kentucky Employes Retirement System to the membership of the State Police Retirement System all present and future employes of the Department of Fish and Wild Life Resources designated as "Conservation Officers". With respect to all employes so transferred from the Kentucky Employes Retirement System to the State Police Retirement System on the effective date of the Excutive Order, the accumulated contributions of the employes and 98% of employer contributions paid with respect to such employes shall be determined and shall be transferred from the Kentucky Employes Retirement System fund to the State Police Retirement System fund as soon as practicable. A determination shall be made of the increase in actuarial liabilities under the State Police Retirement System resulting from the transfer of such employes, and the employer (Department of Fish and Wild Life Resources) rate, with the approval of the Commissioner of Finance, shall be adjusted appropriately with respect to all employes of the Department of Fish and Wild Life Resources who are covered by the State Police Retirement System in order to provide appropriately for the increase in actuarial liabilities to the extent not provided for by said transfer of funds, and the cost of the actuarial determination shall, with the approval of the Commissioner of Finance, be paid from funds available to the Department of Fish and Wild Life Resources.

(2) Retired employes who were designated as Conservation Officers receiving benefits from the Kentucky Employes Retirement System and who are re-employed after the effective date of this Act shall not be eligible for membership in the State Police Retirement System.

(3) Following the date of the Executive Order, employes transferred from the Kentucky Employes Retirement System to the State Police Retirement System shall have no rights to any benefits provided by the Kentucky Employes Retirement System.

(4) All employes transferred from the Kentucky Employes Retirement System to the State Police Retirement System who are age fifty-five or over on the date of said transfer shall contribute to the State Police Retirement System until actual retirement or until July 1, 1961, whichever is earlier, provided, that no employe who attains age fifty-five on or after July 1, 1961, shall be permitted to continue in service.

Calendar

HB 193, SB 244, SB 245, SB 246, HB 168, HB 270, HB 274, HB 275, SB 247, SB 240, SB 241, HB 319, SB 201, HB 82, HB 232, SB 230, HR 63 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Ordered placed in Orders of the Day.

Orders of the Day

Special Order for **SB 180** (ordered in March 3 Journal)

Senator Francis moved that **SB 180** be taken from the Clerk's desk and placed on passage. Agreed.

Senator Francis moved the Previous Question on **SB 180,** as amended. Agreed.

On the roll call the vote was: Yeas 21—Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Jackson, Kidwell, Kinkead, Martin, Melton, Miller, Overbey, Ware, White; Nays 12—Bassett, Blake, Byers, Duncan, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Johnson, Logan, Richmond, Young. **SB 180** was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 180** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 273 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 273.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Richmond, Ware, White; Nays 2—Bassett, Duncan. **HB 273** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 273** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 208 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 208.** Agreed.

On the roll call, the vote was; Yeas 32—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Logan, Melton, Miller, Overbey, Richmond, Ware, White; Nays 1—Kelly. **SB 208** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 208** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 135, HB 376, HB 348, HB 279, HB 285, HB 389, HB 336.**

SB 219 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 219.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Brand, Blue, Bonn, Byers, Craft, C. H. Davis Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Richmond, Ware, White, Young; Nays 0. **SB 219** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 219** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 116 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Garnett, who moved the adoption. Agreed.

Said Amendment #1 to **SB 116** is as follows:

Amend printed copy of **SB 116** on page 1, section 1, line 1, 5-6-7-8 and 9. After the word "shall" line 1, page 1, insert the words "receive or". Strike out line 5, 6, 7, 8, and 9, page 1, section 1 and insert therefor "or any instrument permitted by law to be recorded as evidence of title to real estate, or any instrument relating to the organization or dissolution of a private corporation unless such instrument has endorsed on it a printed typewritten or stamped statement of the name and address of the individual who prepared the instrument and such statement is signed by such individual, and added thereto section 2, 3 and 4 which sections shall read as follows:

"Section 2. This Act shall not apply to instruments to which the Commonwealth or the United States of America is a party, or to instruments which are directed by a court of competent jurisdiction to be lodged for record and recorded".

"Section 3. The validity and effectiveness of the record of any instrument lodged contrary to the provisions of this Act shall not be affected thereby."

"Section 4. Any county clerk or deputy county clerk who receives and permits to be lodged for record any instrument contrary to the provisions of this Act shall be subject to the penalties imposed by KRS 382.991(1) and any individual who or corporation which violates this Act shall be subject to a fine of at least $25.00 and not more than $500.00 for each offense."

Senator Garnett moved the Previous Question on **SB 116,** as amended.

On the roll call, the vote was: Yeas 6—Brand, Francis, Johnson, Melton, Miller, White; Nays 24—Bassett, Bishop, Blake, Blue, Bonn, Byers, Davis C. H., Duffy, Duncan, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard D. W. Howard, Hubbard, Jackson, Kinkead, Logan, Martin, Overbey, Richmond, Ware, Young. **SB 116** was defeated.

Senator Garnett moved that **SB 116** be laid on the Clerk's desk. Agreed.

HB 64 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator D. W. Howard, who moved the adoption, which lost by voice vote.

Said Amendment #1 to **HB 64** is as follows:

Amend printed copy of **HB 64** on page 1, title, by amending said title to read as follows:

AN ACT relating to the erection of statues in memory of Alben William Barkley and Edwin P. Morrow, and making an appropriation therefor.

Senator Melton moved the Previous Question on **HB 64**. Agreed.

On the roll call, the vote was: Yeas 20—Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Hehl, Hickerson, C. S. Howard, Jackson, Kidwell, Logan, Martin, Melton, Ware, White; Nays, 10—Bassett, Bishop, Byers, Duncan, Hamilton, D. W. Howard, Hubbard, Johnson, Miller, Richmond. **HB 64** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 64** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 211 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Craft moved the Previous Question on **HB 211**. Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, Young; Nays, 0. **HB 211** was passed and the title agreed to.

Senator Craft moved that the vote by which **HB 211** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 244 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Bassett, who moved the adoption, which motion lost on voice vote.

Said Amendment #1 to **HB 244** is as follows:

Amend printed copy of **HB 244** on pages 2 and 3, section 3, lines 4 18, by deleting all of Section 3, lines 4 18 inclusive immediately following the word "hereunder" in line 4 and substituting in lieu thereof "provided that any city in the county that pays the same percentage as the city of the first class from the occupational tax revenue toward the cost of the joint city-county agencies shall be credited against the county license fee payable hereunder."

Senator Duffy moved the Previous Question on **HB 244**. Agreed.

On the roll call, the vote was: Yeas 18—Brand, Blue, Bonn, Conley,

C. H. Davis, Duffy, Francis, Garnett, C. S. Howard, Jackson, Kelly, Kinkead, Martin, McCann, Melton, Ware, White, Young; Nays, 15—Bassett, Bishop, Blake, Byers, Duncan, Hamilton, Hickerson, D. W. Howard, Hubbard, Johnson, Kidwell, Logan, Miller, Overbey, Richmond. **HB 244** was passed and the title agreed to.

Senator McCann requested the consent of the Senate to let the Journal show that he be recorded as voting yea on **SB 118**, as amended by the House. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 9, 1960. Agreed.

WEDNESDAY, MARCH 9, 1960

FIFTY-SECOND LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators Duncan, McCann, Miller and Richmond, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 8 dispensed with and the same approved on motion of Senator Ware.

Introduction of Bills and Resolutions

SB 267, by Senator Martin: AN ACT changing the classification of the City of Hindman, in Knott County.

SB 268, by Senator Blake: AN ACT relating to a retirement system for taxpayers of the Commonwealth of Kentucky.

SB 269, by Senator Kinkead: AN ACT providing for the conduct of public business in public.

SB 270, by Senator Derickson: AN ACT relating to the licensing of real estate brokers and salesmen.

SB 271, by Senator Ware: AN ACT relating to the Board of Trustees of the University of Kentucky, amending Sections 164.130 and 164.170 of the Kentucky Revised Statutes, and declaring an emergency.

SB 272, by Senator Ware: AN ACT relating to bonds of state officers and employes.

SB 273, by Senator Ware: AN ACT relating to insurance.

SB 274, by Senator Ware: AN ACT relating to interstate cooperation in the field of nuclear energy.

SB 275, by Senator Johnson: AN ACT relating to equipment for motor trucks owned by the Kentucky Highway Department.

SR 53, by Senator Ware: A JOINT RESOLUTION directing the Legislative Research Commission to study and recommend a unified system of administrative procedure.

Senator Garnett moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Garnett moved to take from the Clerk's Desk **SB 116** for consideration. Agreed.

Senator Garnett moved to reconsider the vote on **SB 116.** Agreed.

Amendment #2 by Senator Garnett, who moved the adoption. Agreed.

Said Amendment #2 to **SB 116** is as follows:

"Amend printed copy of Senate Bill No. 116, section 4, by striking out Section 4 in its entirety."

Senator Garnett moved the Previous Question on **SB 116,** as amended. Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamitlon, Hehl, Hickerson, C. S. Howard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Ware, White, Young. Nays 1—Richmond. **SB 116** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 116** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 82, SB 118** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Said bills delivered, signed by Speaker. Ordered delivered to the Governor.

Report of Committee

Rules Committee reported **SB 263, SB 266, SB 237, SB 264, SB 265, HB 255, SB 62, HB 252, HB 301, HB 247, HB 19, SB 221; SB 113, SB 258, HB 159, HB 290** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 263, AN ACT relating to securities; defining terms, providing for a director of securities and an advisory committee; defining powers and duties; providing penalties; and repealing chapter 292 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. **FRAUDULENT AND OTHER PROHIBITED PRACTICES**

(A) It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of a material factor to omit to

state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(B) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise,

(1) to employ any device, scheme, or artifice to defraud the other person, or

(2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.

(C) It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract unless it provides in writing

(1) that the investment adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(2) that no assignment of the contract may be made by the investment adviser without the consent of the other party to the contract; and

(3) that the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

Clause (1) does not prohibit an investment advisory contract which provides for compensation based upon the total value of a fund averaged over a definite period, or as of definite dates or taken as of a definite date. "Assignment", as used in clause (2), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but, if the investment adviser is a partnership, no assignment of an investment advisory contract is considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser, or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

Section 2. **REGISTRATION OF BROKERS-DEALERS, AGENTS AND INVESTMENT ADVISERS.**

(A) It is unlawful for any person to transact business in this state as a broker-dealer or agent, except in transactions exempt under section 11, unless he is registered under this act. It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. It is unlawful for any person to transact business in this state as an investment adviser unless (1) he is so registered under this act, or (2) he is registered as a broker-dealer under this act, or (3) his only clients in this state are investment companies as defined in the Investment Company Act of 1940 or insurance companies.

(B) A broker-dealer, agent, or investment adviser may apply for registration by filing with the director an application together with a consent to service of process pursuant to section 12 and payment of the fee prescribed in subsection (E). Registration of a broker-dealer automatically constitutes registration of all partners, officers or directors of such broker-dealer as agents (except any partner, officer or director whose registration as an agent is denied, suspended or revoked under subsection (G)) without the filing of applications for registration as agents or the payment of fees for registration as agents. The application shall contain whatever information the director requires concerning such matters as:

(1) the applicant's form and place of organization;

(2) the applicant's proposed method of doing business;

(3) the qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser, any partner, officer, or director;

(4) any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and

(5) the applicant's financial condition and history.

(C) If no denial order is in effect and no proceeding is pending under subsection (G), registration becomes effective at noon of the thirtieth day after an application is filed. The director may specify an earlier effective date and he may by order defer the effective date until noon of the thirtieth day after the filing of any amendment. The director may require as conditions of registration:

(1) that the applicant (and, in the case of a corporation or partnership, the officers, directors or partners) pass a written examination as evidence of knowledge of the securities business;

(2) that a broker-dealer have a minimum capital, but the director shall not require capital in excess of $10,000; and

(3) that a broker-dealer post a surety bond in an amount up to $10,000, except that no such bond may be required of any broker-dealer whose capital exceeds $25,000. An appropriate depoist of cash or securities shall be accepted in lieu of any required surety bond. Every surety bond shall provide for suit thereon by any person who has a cause of action under section 17, and every such bond shall provide that no suit may be maintained to enforce any liability

on the bond unless brought within two years after the sale or other act upon which it is based.

Registration of a broker-dealer, agent or investment adviser shall be effective until March 1 of the following year and may be renewed as hereinafter provided. The registration of an agent is not effective during any period when he is not associated with an issuer or a registered broker-dealer specified in his application or a notice filed with the director. When an agent begins or terminates a connection with an issuer or registered broker-dealer, the agent and the issuer or broker-dealer shall promptly notify the director.

(D) Registration of a broker-dealer, agent or investment adviser may be renewed by filing with the director prior to the expiration thereof an application containing such information as the director may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, agent or investment adviser filed with the director by the applicant, payment of the prescribed fee and, in the case of a broker-dealer, a financial statement showing the financial condition of such broker-dealer as of a date within ninety days. A registered broker-dealer or investment adviser may file an application for registration of a usccessor, whether or not the successor is then in existence, for the unexpired portion of the year without payment of any fee.

(E) The fee for initial or renewal registration shall be $100 for a broker-dealer, $50 for an investment adviser, and $15 for an agent.

(F) Every registered broker-dealer and investment adviser shall make and keep such accounts and other records, except with respect to securities exempt under subsection 10 (A), as the director prescribes. All records so required shall be preserved for three years unless the director prescribes otherwise for particular types of records. All the records of a registered broker-dealer or investment adviser are subject at any time or from time to time to such reasonable periodic, special, or other examinations by representatives of the director, within or without this state, as the director deems necessary or appropriate in the public interest or for the protection of investors.

(G) The director may by order deny, suspend, or revoke registration of any broker-dealer, agent or investment adviser if he finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director:

(1) has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the cir-

cumstances under which it was made, false or misleading with respect to any material fact;

(2) has willfully violated or willfully failed to comply with any provision of this act or a predecessor act or any rule or order under this act or a predecessor act;

(3) has been convicted, within the past ten years, of any misdemeanor involving a security or any aspect of the securities business, or any felony;

(4) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

(5) is the subject of an order of the director denying, suspending, or revoking registration as a broker-dealer, agent, or investment adviser;

(6) is the subject of an order entered within the past five years by the securities administrator of any other state or by the Securities and Exchange Commission denying or revoking registration as a broker-dealer or agent, or the substantial equivalent of those terms as defined in this act, or is the subject of an order of the Securities and Exchange Commission suspending or expelling him from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934, or is the subject of a United States Post Office fraud order; but (i) the director may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and (ii) he may not enter any order under this clause on the basis of an order unless that order was based on facts which would currently constitute a ground for an order under this section;

(7) has engaged in dishonest or unethical practices in the securities business;

(8) is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the Director may not enter an order against a broker-dealer or investment adviser under this clause without a finding of insolvency as to the broker-dealer or investment adviser; or

(9) has not complied with a condition imposed by the director under subsection (C), or is not qualified on the basis of such factors as training, experience, or knowledge of the securities business; or

(10) has failed to pay the proper filing fee; but the director may enter only a denial order under this clause, and he shall vacate any such order when the deficiency has been corrected.

The director may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective. The director may by order summarily postpone or suspend registration pending final determination of any proceeding under this subsection. Upon the entry of the order, the director shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination. No order may be entered under this section denying or revoking registration without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent), opportunity for hearing, and written findings of fact and conclusions of law.

(H) If the director finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, investment adviser or agent, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the director may by order cancel the registration or application.

Section 3. REGISTRATION OF SECURITIES.

It is unlawful for any person to offer or sell any security in this state, except securities exempt under section 10 or when sold in transactions exempt under section 11, unless such security is registered by notification under section 4 or by coordination under section 5 or by qualification under section 6.

Section 4. REGISTRATION BY NOTIFICATION.

(A) The following securities may be registered by notification, whether or not they are also eligible for registration by coordination under section 5:

(1) any security whose issuer and any predecessors have been in continuous operation for at least five years if:

(a) there has been no default during the current fiscal year or within the three preceding fiscal years in the payment of principal, interest, or dividends on any security of the issuer (or any predecessor) with a fixed maturity or a fixed interest or dividend provision; and

(b) the issuer and any predecessors during the past three fiscal years have had average net earnings, determined in accordance with generally accepted accounting practices, which are applicable to all securities without a fixed maturity or a fixed interest or dividend provision and which (i) equal at least 5% of the amount of securities without a fixed maturity or a fixed interest or dividend provision outstanding at the date the registration statement is filed (as measured by the maximum offering price or the market price on a day selected by the registrant within thirty days before the date of filing the registration statement, whichever is higher, or if there is neither a readily determinable market price nor an offering price, book value on a day selected by the registrant within ninety days of the date of filing the registration statement), or (ii) if the issuer and any predecessors have not had any securities without a fixed maturity or a fixed interest or dividend provision outstanding for three full fiscal years, equal at least 5% of the amount (as measured by the maximum public offering price) of such securities which will be outstanding if all the securities being offered or proposed to be offered (whether or not they are proposed to be registered or offered in this state) are issued.

(2) any security (other than a certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease) registered for non-issuer distribution if any security of the same class has ever been registered under this act or a predecessor act, or the security being registered was originally issued pursuant to an exemption under this act or a predecessor act.

(B) A registration statement under this section shall contain the following information and be accompanied by the following documents, in addition to payment of the registration fee prescribed in section 7 and, if required under section 12, a consent to service of process meeting the requirements of that section:

(1) A statement demonstrating eligibility for registration by notification.

(2) With respect to the issuer: its name, address, and form of organization; the state (or foreign jurisdiction) and the date of its organization; and the general character and location of its business.

(3) A description of the securities being registered.

(4) Total amount of securities to be offered and amount of securities to be offered in this state.

(5) The price at which the securities are to be offered for sale to the public; any variation therefrom at which any portion of the offering is to be made to any persons, other than as underwriting and selling discounts or commissions; and the estimated maximum aggregate underwriting and selling discounts or commissions and finders' fees (including cash, securities, or anything else of value).

(6) Names and addresses of the managing underwriters and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter.

(7) Description of any security options outstanding or to be created in connection with the offering.

(8) Any adverse order, judgment or decree previously entered in

connection with the offering by any court or the Securities and Exchange Commission.

(9) A copy of any offering circular or prospectus to be used in connection with the offering.

(10) In the case of any registration under subsection 4

(A) (2) which does not also satisfy the conditions of subsection 4 (A) (1), a balance sheet of the issuer as of a date within four months prior to the filing of the registration statement, and a summary of earning for each of the two fiscal years preceding the date of the balance sheet and for any period between the close of the last fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessors' existence if less than two years.

(C) If no stop order is in effect and no proceeding is pending under section 8, a registration statement under this section automatically becomes effective at three o'clock Eastern Standard Time in the afternoon of the second full business day after the filing of the registration statement or the last amendment, or at such earlier time as the director determines.

Section 5. **REGISTRATION BY COORDINATION.**

(A) Any security for which a registration statement has been filed under the Securities Act of 1933 in connection with the same offering may be registered by coordination.

(B) A registration statement under this section shall contain the following information and be accompanied by the following documents in addition to payment of the registration fee prescribed in section 7 and, if required under section 12, a consent to service of process meeting the requirements of that section:

(1) Three copies of the prospectus filed under the Securities Act of 1933 together with all amendments thereto.

(2) The amount of securities to be offered in this state.

(3) The states in which a registration statement or similar document in connection with the offering has been or is expected to be filed.

(4) Any adverse order, judgment or decree previously entered in connection with the offering by any court or the Securities and Exchange Commission.

(5) If the director by rule or otherwise requires, a copy of the articles of incorporation and by-laws (or their substantial equivalents) currently in effect, a copy of any agreements with or among underwriters, a copy of any indenture or other instrument governing the issuance of the security to be registered, and a speciment or copy of the security;

(6) If the director requests, any other information, or copies of any other documents, filed under the Securities Act of 1933; and

(7) An undertaking to forward promptly all amendments to the federal registration statement, other than an amendment which merely delays the effective date.

(C) A registration statement under this section automatically becomes effective at the moment the federal registration statement becomes effective if all the following conditions are satisfied:

(1) no stop order is in effect and no proceeding is pending under section 8;

(2) the registration statement has been on file with the director for at least ten days; and

(3) a statement of the maximum and minimum proposed offering prices and the maximum underwriting discounts and commissions has been on file for two full business days or such shorter period as the director permits by rule or otherwise and the offering is made within those limitations. The registrant shall promptly notify the director by telephone or telegram of the date and time when the federal registration statement became effective and the content of the price amendment, if any, and shall promptly file a post-effective amendment, containing the information and documents in the price amendment. "Price amendment" means the final federal amendment which includes a statement of the offering price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price.

Upon failure to receive the required notification and post-effective amendment with respect to the price amendment, the director may enter a stop order, without notice or hearing, retroactively denying effectiveness to the registration statement or suspending its effectiveness until compliance with the subsection, if he promptly notifies the registrant by telephone or telegram (and promptly confirms by letter or telegram when he notifies by telephone) of the issuance of the order. If the registrant proves compliance with the requirements of this subsection as to notice and post-effective amendment, the stop order is void as of the time of its entry. The director may by rule or otherwise waive either or both of the conditions specified in clauses (2) and (3). If the federal registration statement becomes effective before all these conditions are satisfied and they are not waived, the registration statement automatically becomes effective as soon as all the conditions are satisfied. If the registrant advises the director of the date when the federal registration statements is expected to become effective the director shall promptly advise the registrant by telephone or telegram, at the registrant's expense, whether all the conditions are satisfied and whether he then contemplates the institution of a proceeding under section 8; but this advice by the director does not preclude the institution of such a proceeding at any time.

Section 6. **REGISTRATION BY QUALIFICATION.**

(A) Any security may be registered by qualification.

(B) A registration statement under this section shall contain the following information and be accompanied by the following documents, in addition to payment of the registration fee prescribed in section 7 and, if required under section 12, a consent to service of process meeting the requirements of that section:

(1) With respect to the issuer and any significant subsidiary; its name, address, and form organization; the state or foreign jurisdiction and date of its organization; the general character and location of its business; and a description of its physical properties and equipment.

(2) With respect to every director and officer of the issuer, or person occupying a similar status or performing similar functions: his name, address, and principal occupation for the past five years; the amount of securities of the issuer held by him as of a specified date within ninety days of the filing of the registration statement; the remuneration paid to all such persons in the aggregate during the past twelve months, and estimated to be paid during the next twelve months, directly or indirectly, by the issuer (together with all predecessors, parents and subsidiaries).

(3) With respect to any person not named in clause (2), owning of record, or beneficially if known, ten percent or more of the outstanding shares of any class of equity security of the issuer: the information specified in clause (2) other than his occupation.

(4) With respect to every promoter, not named in clause (2), if the issuer was organized within the past three years: the information specified in clause (2), any amount paid to him by the issuer within that period or intended to be paid to him, and the consideration for any such payment.

(5) The capitalization and long-term debt (on both a current and a pro forma basis) of the issuer and any significiant subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration (whether in the form of cash, physical assets, services, patents, goodwill, or anything else) for which the issuer or any subsidiary has issued any of its securities within the past two years or is obligated to issue any of its securities.

(6) The kind and amount of securities to be offered; the amount to be offered in this state; the proposed offering price and any variation therefrom at which any portion of the offering is to be made to any persons except as underwriting and selling discounts and commissions; the estimated aggregate underwriting and selling discounts

or commissions and finders' fees (including separately cash, securities, or anything else of value to accrue to the underwriters in connection with the offering); the estimated amounts of other selling expenses, and legal, engineering and accounting expenses to be incurred by the issuer in connection with the offering; the name and addres of every underwriter and every recipient of a finders' fee; a copy of any underwriting or selling-group agreement pursuant to which the distribution is to be made, or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter.

(7) The estimated cash proceeds to be received by the issuer from the offering; the purposes for which the proceeds are to be used by the issuer; the amount to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated, and the sources of any such funds; and, if any part of the proceeds is to be used to acquire any property (including goodwill) otherwise than in the ordinary course of business, the names and addresses of the vendors and the purchase price.

(8) A description of any stock options or other security options outstanding, or to be created in connection with the offering, together with the amount of any such options held or to be held by every person required to be named in clause (2), (3), (4), (5) or (7) and by any person who holds or will hold ten percent or more in the aggregate of any such options.

(9) The states in which a registration statement or similar document in connection with the offering has been or is expected to be filed.

(10) Any adverse order, judgment or decree previously entered in connection with the offering by any court or the Securities and Exchange Commission; a description of any pending litigation or proceedings to which the issuer is a party and which materially affects its business or assets (including any such litigation or proceeding known to be contemplated by governmental authorities.)

(11) A copy of any prospectus or circular intended as of the effective date to be used in connection with the offering;

(12) A specimen or copy of the security being registered; a copy of the issuer's articles of incorporation and by-laws, as currently in effect; and a copy of any indenture or other instrument covering the security to be registered.

(13) A signed or conformed copy of an opinion of counsel, if available, as to the legality of the security being registered.

(14) A balance sheet of the issuer as of a date within four months prior to the filing of the registration statement; a profit and loss

statement and analysis of surplus for each of the three fiscal years preceding the date of the balance sheet and for any period between the close of the last fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessor's existence if less than three years; and, if any part of the proceeds of the offering is to be applied to the purchase of any business, the same financial statements which would be required if that business were the registrant.

In the case of a non-issuer distribution, information may not be required under this section unless it is known to the person filing the registration statement or to the persons on whose behalf the distribution is to be made, or can be furnished by them without unreasonable effort or expense.

(C) A registration statement under this section becomes effective when the director so orders. The director may require as a condition of registration under this section that a prospectus containing any designated part of the information specified in subsection (B) be sent or given to each person to whom an offer is made before or concurrently with (1) the first written offer made to him (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him as a participant in the distribution, (2) the confirmation of any sale made by or for the account of any such person, (3) payment pursuant to any such sale, or (4) delivery of the security pursuant to any such sale, whichever first occurs; but the director shall accept for use under any such requirement a current prospectus or offering circular regarding the same securities filed under the Securities Act of 1933 or regulations thereunder.

Section 7. GENERAL PROVISIONS REGARDING REGISTRATION OF SECURITIES.

(A) A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered broker-dealer. Any document filed under this act or a predecessor act within five years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the document is currently accurate. The director may by rule or otherwise permit the ommission of any item of information or document from any registration statement.

(B) The director may require as a condition of registration by qualification or coordination that (1) the proceeds from the sale of the registered security be impounded until the issuer receives a specified amount or (2) any security issued within the past three years, or to be issued, to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be delivered in escrow to him or to some other depository satisfactory to him under an escrow agreement that the owners of such securities shall not be entitled to sell or transfer such securities or to withdraw such securities from escrow until all other stockholders who have paid for their stock in cash shall have been paid a dividend or dividends aggregating not less than 6% of the initial offering price shown to the satisfaction of the director to have been actually earned on the investment in any common stock so held. The director shall not reject a depository solely because of location in another state. In case of dissolution or insolvency during the time such securities are held in escrow, the owners of such securities shall not participate in the assets until after the owners of all other securities shall have been paid in full.

(C) For the registration of securities by notification or coordination or qualification, there shall be paid to the director a registration fee of 1/20th of 1% of the aggregate offering price of the securities which are to be offered in this state, but the fee shall in no case be less than $50 nor more than $1,000. When a registration statement is withdrawn before the effective date or a pre-effective stop order is entered under section 8, the director shall retain $15 of the fee. For the registration of securities issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust, as those terms are defined in the Investment Company Act of 1940, a new registration fee shall be paid each year that the registration remains in effect, based upon the aggregate offering price of such securities which are to be offered in this state during that year, even though the maximum fee was paid the preceding year; and the registration statement for such securities may be amended to increase the amount of securities to be offered.

(D) When securities are registered by notification or by coordination or by qualification, they may be offered and sold by the issuer, any other person on whose behalf they are registered or by any registered broker-dealer. Every registration shall remain effective until revoked by the director or until terminated upon request of the registrant with the consent of the director. All outstanding securities of the same class as a registered security are considered to be registered for the purpose of any non-issuer transaction. A registration statement which has become effective may not be withdrawn for one year from its effective date if any securities of the same class are outstanding.

(E) The director may require the person who filed the registration statement to file reports, not more often than quarterly, to keep reasonably current the information contained in the registration statement and to disclose the progress of the offering with respect to registered securities which (1) are issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust as those terms are defined in the Investment Company Act of 1940, or (2) are being offered and sold directly by or for the account of the issuer. The director shall impose a fee of five dollars for each such report filed with him.

Section 8. DENIAL, SUSPENSION, AND REVOCATION OF REGISTRATION.

(A) The director may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration statement if he finds that the order is in the public interest and that:

(1) the registration statement as of its effective date or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) any provision of this act or any rule, order, or condition lawfully imposed under this act has been willfully violated, in connection with the offering by (i) the person filing the registration statement, (ii) the issuer, any partner, officer, or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer, or (iii)any underwriter;

(3) the security registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the offering; but (i) the director may not institute a proceeding against an effective registration statement under this clause more than one year from the date of the injunction relied on, and (ii) he may not enter an order under this clause on the basis of an injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for a stop order under this section;

(4) the issuer's enterprise or method of business includes or would include activities which are illegal where performed;

(5) the offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) when a security is sought to be registered by notification, it is not elegible for such registration;

(7) when a security is sought to be registered by coordination, there has been a failure to comply with the undertaking required by section 5 (B) (7), or

(8) the applicant or registrant has failed to pay the proper registration fee; but the director may enter only a denial order under this clause and he shall vacate any such order when the deficiency has been corrected;

(9) A commission or fee greater than twenty per cent would be paid directly or indirectly, in consideration for the sale of the securities sought to be registered.

The director may not enter a stop order against an effective registration statement on the basis of a fact or transaction known to him when the registration statement became effective.

(B) Upon the entry of a stop order under any part of this section, the director shall promptly notify the issuer of the securities and the applicant or registrant that the order has been entered and of the reasons therefor and that within fifteen days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested within fifteen days and none is ordered by the director, the director shall enter his written findings of fact and conclusions of law and the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing to the issuer and to the applicant or registrant, shall enter his written findings of fact and conclusions of law and may modify or vacate the order. The director may modify or vacate a stop order if he finds that the conditions which prompted its entry have changed or that it is otherwise in the public interest to do so.

Section 9. **DEFINITIONS.**

When used in this Act, unless the context otherwise requires:

(A) "Director" means the Director of the Division of Securities in the Department of Banking.

(B) "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect sales of securities, but "agent" does not include an individual who represents an issuer in (1) effecting a transaction in a security exempted by clause (A), (B), (C), (I), (J) or (K) of section 10, (2) effecting transactions exempted by section 11 or (3) effecting transactions with existing employees, partners or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state. A partner, officer, or director of a broker-dealer or issuer is an agent only if he otherwise comes within this definition.

(C) "Broker-dealer" means any person engaged in the business of effective transactions in securities for the account of others or for his own account. "Broker-dealer" does not include (1) an agent, issuer, bank, savings institution, or trust company, (2) a person who has no place of business in this state if he effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or bank, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themslves or as trustees, or (3) a person who has no place of business in this state if during any period of twelve consecutive months he does not direct more than fifteen offers to sell or to buy into this state in any manner to persons other than those specified in clause (2).

(D) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends.

(E) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include (1) a bank, savings institutions, or trust company; (2) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of his profession; (3) a broker-dealer; (4) a publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation; (5) a person whose advice, analyses, or reports relate only to securities exempted by section 10 (A); (6) a person who has no place of business in this state if (A) his only clients in this state are other investment advisers, broker-dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (B) during any period of twelve consecutive months he does not direct business communications into this state in any manner to more than five clients other than those specified in clause (A), or (7) such other persons not within the intent of this paragraph as the director may by rule or order designate.

(F) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositors or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued.

(G) "Non-issuer" means not directly or indirectly for the benefit of the issuer.

(H) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

(I) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt to offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.

(J) "Securities Act of 1933", "Securities Exchange Act of 1934", "Public Utility Holding Company Act of 1935", and "Investment Company Act of 1940" means the federal statutes of those names as amended before or after the effective date of this act.

(K) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease to more than five persons; or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed number of dollars either in a lump sum or periodically for life or some other specified period.

(L) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico.

Section 10. **EXEMPT SECURITIES.**

Sections 3 through 8, inclusive, of this act shall not apply to any of the following securities:

(A) any security (including a revenue obligation) issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing; or any certificate of deposit for any of the foregoing.

(B) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor.

(C) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institutions, or trust company organized and supervised under the laws of any state.

(D) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(E) Securities issued by corporations formed under Chapter 279.

(F) Any security issued or guaranteed by any federal credit union or any credit union, industrial loan association, or similar association organized and supervised under the laws of this state.

(G) Any security issued or guaranteed by any railroad, other common carrier, public utility, or holding company which is (1) subject to the jurisdiction of the Interstate Commerce Commission; (2) a registered holding company under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act; (3) regulated in respect of its rates and charges by a governmental authority of the United States or any state or municipality; or (4) regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province.

(H) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, or the Midwest Stock Exchange or any other stock exchange approved by the director; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(I) Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or reformatory purposes, or as a chamber of commerce or trade or professional association.

(J) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidence an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal.

(K) Any investment contract issued in connection with an employees' stock purchase, savings, pension, profit-sharing, or similar benefit plan if the director is notified in writing thirty days before the inception of the plan or, with respect to plans which are in effect on the effective date of this act, within sixty days thereafter (or within thirty days before they are re-opened if they are closed on the effective date of this act.)

(L) The shares of capital stock of a corporation, organized under the laws of this state for the purpose of doing business in this state, issued in obtaining the amount of capital stated in the articles of incorporation as the amount of capital with which the corporation will begin business, in accordance with the provisions of KRS 271.035, 271.085 and 271.095, where no expense in excess of one percent of the proceeds from the sale of its capital stock so issued is incurred, and no commission, compensation or other remuneration is paid or given for or in connection with the sale or disposition of such capital stock, and no part of the issue so disposed of is issued directly or indirectly in payments for patents, services, good will, trade-marks, leases, copyrights, processes, formulae, or other intangible assets. The president and secretary of the corporation shall, prior to such disposal, file with the director a written verified statement setting forth the existence of the above facts, and that the corporation is formed for the purpose of doing business in this state.

Section 11. **EXEMPT TRANSACTIONS.**

Except as hereinafter in this section expressly provided, sections 2 through 8 inclusive of this act shall not apply to any of the following transactions:

(A) Any isolated transaction, whether effected through a broker-dealer or not.

(B) Any non-issuer distribution of an outstanding security by a registered broker-dealer if (1) a recognized securities manual contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date within eighteen months, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations, or (2) the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the three preceding fiscal years, or during the existence of the issuer and any predecessors if less than three years, in the payment of principal interest, or dividends on the security.

(C) Any non-issuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the director may by rule require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period.

(D) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters.

(E) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit.

(F) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator.

(G) Any transaction executed by a bona fide pledgee without any purpose of evading this act.

(H) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(I) Any transaction pursuant to an offer directed by the offerer to not more than ten persons (other than those designated in paragraph (H) in this state during any period of twelve consecutive months, whether or not the offerer or any of the offerees is then present in this state, if (1) the seller reasonably believes that all the buyers are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer.

(J) Any offer or sale of a preorganization certificate or subscription if (1) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber, (2) the number of subscribers does not exceed ten, and (3) no payment is made by any subscriber.

(K) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, non-transferable warrants, or transferable warrants exercisable within not more than ninety days of their issuance, if (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state, or (2) the issuer first files a notice specifying the terms of the offer and the director does not by order disallow the exemption within the next five full business days.

(L) Any offer (but not a sale) of a security for which registration statements have been filed under both this act and the Securities Act of 1933 if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act.

(M) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock.

(N) Any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation or sale of assets.

The director may by order deny or revoke the exemption specified in subsection (B) with respect to a specific security. Upon the entry of such an order, the director shall promptly notify all registered broker-dealers that it has been entered and of the reasons therefor and that within fifteen days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the director, the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated this act by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known of the order. In any proceeding under this act, the burden of proving an exemption from a definition is upon the person claiming it.

Section 12. CONSENT TO SERVICE OF PROCESS.

Every applicant for registration as a broker-dealer or agent under this act and every issuer which proposes to offer a security in this state through any person acting on an agency basis in the commonlaw sense shall file with the director, in such form as he by rule prescribes, an irrevocable consent appointing the director or his successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or his successor executor or administrator which arises under this act or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. A person who has filed such a consent in connection with a previous registration need not file another. Service may be made by leaving a copy of the process in the office of the director, but it is not effective unless (1) the plaintiff, who may be the director in a suit, action, or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at his last address on file with the director, and (2) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Section 13. **MISLEADING FILINGS.**

It is unlawful for any person to make or cause to be made, in any document filed with the director or in any proceeding under this act, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

Section 14. **UNAWFUL REPRESENTATIONS CONCERNING REGISTRATION OR EXEMPTION.**

Neither the fact that an application for registration under section 2 or a registration statement under sections 4, 5 or 6 has been filed, nor the fact that a person or security is effectively registered, constitutes a finding by the director that any document filed under this act is true, complete, and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the director has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with this section.

Section 15. **INVESTIGATIONS AND SUBPOENAS.**

(A) The director in his discretion (1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any registration should be granted, denied or revoked or whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder, (2) may require or permit any person to file a statement in writing, under oath or otherwise as the director may determine, as to all the facts and circumstances concerning the matter to be investigated, and (3) may publish information concerning any violation of this act or any rule or order hereunder.

(B) For the purpose of any investigation or proceeding under this act, the director or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

(C) In case of contumacy by, or refusal to obey a subpoena issued to, any person, any court of competent jurisdiction, upon application by the director, may issue to that person an order requiring him to appear before the director, or the officer designated by him, there to produce documentary evidence if so ordered or to give evidence touching the matter under investigation or in question; and any failure to obey the order of the court may be punished by the court as a contempt of court.

(D) No person is excused from attending and testifying or from producing any document or record before the director, or in obedience to the subpoena of the director or any officer designated by him, or in any proceeding instituted by the director, on the ground that the testimony or evidence (documentary or otherwise) required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after claiming his privilege against self-incrimination, to testify or produce evidence (documentary or otherwise) except that the individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Section 16. INJUNCTIONS.

Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this act or any rule or order hereunder, he may in his discretion bring an action in any court of competent jurisdiction to enjoin any such acts or practices and to enforce compliance with this act or any rule or order hereunder. Upon a proper showing a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The director may not be required to post a bond.

Section 17. CRIMINAL PENALTIES.

(A) Any person who willfully violates any provision of this act except section 13, or who willfully violates any rule or order under this act, or who willfully violates section 13 knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than $5,000 or imprisoned not more than three years, or both; but no person may be imprisoned for the violation of any rule or order if he proves that he had no knowledge of the rule or order. No indictment or information may be returned under this act more than five years after the alleged violation.

(B) The director may refer such evidence as may be available concerning violations of this act or of any rule or order hereunder to the attorney general or the proper district attorney, who may in his discretion, with or without such a reference, institute the appropriate criminal proceedings under this act.

(C) Nothing in this act limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law.

Section 18. **CIVIL LIABILITIES.**

(A) Any person, who offers or sells a security in violation of section 3 or 4 or offers or sells a security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made in the light of the circumstances under which they are made not misleading (the buyer not knowing of the untruth or omission) and who does not ssutain the burden of proof that he did not know and in the exercise of reasonable care could not have known of the untruth or omission, is liable to the person buying the security from him, who may sue either at law or in equity to recover the consideration paid for the security, together with interest at six percent per annum from the date of payment, costs, and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security, or for damages if he no longer owns the security. Damages are the amount that woud be recoverable upon a tender less (1) the value of the security when the buyer is disposed of it and (2) interest at six percent per annum from the date of disposition.

(B) Every person who directly or indirectly controls a seller liable under subsection (A), every partner, officer, or director (or person occupying a similar status or performing similar functions) or employee of such a seller who materially aids in the sale, and every broker-dealer or agent who materially aids in the sale is also liable jointly and severally with and to the same extent as the seller, unless the non-seller who is so liable sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist. There is contribution as in cases of contract among the several persons so liable.

(C) Any tender specified in this section may be made at any time before entry of judgment. Every cause of action under this statute survives the death of any person who might have been a plaintiff or defendant. No person may sue under this section more than two years after the contract of sale. No person may sue under this section (1) if the buyer received a written offer, before suit and at a time when he owned the security, to refund the consideration paid together with interest at six percent per annum from the date of payment;, less the amount of any income received on the security, and he failed to accept the offer within thirty days of its receipt, or (2) if the buyer received such an offer before suit and at a time when he did not own the security, unless he rejected the offer in writing within thirty days of its receipt.

(D) No person who has made or engaged in the performance of any contract in violation of any provision of this act or any rule or order hereunder, or who has acquired any purported right under any such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any suit on the contract. Any condition, stipulation, or provision binding any person acquiring any security to waive compliance with any provision of this act or any rule or order hereunder is void.

Section 19. **JUDICIAL REVIEW OF ORDERS.**

Any person aggrieved by a final order of the director may obtain a review of the order by filing in the Franklin Circuit Court, within sixty days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part. A copy of the petition shall be forthwith served upon the director, and thereupon the director shall certify and file in court a copy of the filing, testimony, and other evidence upon which the order was entered. When these have been filed, the court has exclusive jurisdiction to affirm, modify, enforce, or set aside the order, in whole or in part. No objection to the order may be considered by the court unless it was urged before the director or there were reasonable grounds for failure to do so. The findings of the director as to the facts, if supported by substantial evidence, are conclusive. If either party applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for failure to adduce the evidence in the hearing before the director the court may order the additional evidence to be taken before the director and to be adduced upon the hearing in such manner and upon such conditions as the court may consider proper. The director may modify his findings as the facts, by reason of the additional evidence so taken; and he shall file any modified or new findings, which if supported by substantial evidence shall be conclusive, and any recommendation for the modification or setting aside of the original order. The commencement of proceedings under this action does not, unless specifically ordered by the court, operate as a stay of the director's order. An appeal may be taken from the judgment of the Franklin Circuit Court on any such appeal to the Court of Appeals on the same terms and conditions as an appeal is taken in civil actions.

Section 20. **ADMINISTRATION OF ACT.**

(A) The administration of the provisions of this act shall be under the Division of Securities in the Department of Banking.

(B) It is unlawful for the director or any of his officers or employes to use for personal benefit any information which is filed with or obtained by the director and which is not made public. No provision of this act authorizes the director or any of his officers or employes to disclose any such information except among themselves or when necessary or appropriate in a proceeding or investigation under this act. No provision of this act either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the director or any of his officers or employes.

(C) The director may from time to time make, amend, and rescind such rules and forms as are necessary to carry out the provisions of this act. No rule or form, may be made unless the director finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this act. In prescribing rules and forms the director may cooperate with the securities administrators of the other states and the Securities and Exchange Commission with a view to effectuating the policy of this statute to achieve maximum uniformity in the form and content of registration statements, applications, and reports wherever practicable. All rules and forms of the director shall be published.

(D) No provision of this act imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form, or order of the director, notwithstanding that the rule or form may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

(E) Every hearing in an administrative proceeding shall be public unless the director in his discretion grants a request joined in by all the respondents that the hearing be conducted privately.

(F) A document is filed when it is received by the director. The director shall keep a register of all applications for registration and registration statements which are or have ever been effective under this act and all denial, suspension, or revocation orders which have ever been entered under this act. The register shall be open for public inspection. The information contained in or filed with any registration statement, application, or report may be made available to the public under such rules as the director prescribes.

(G) Upon request and at such reasonable charges as he prescribes, the director shall furnish to any person photostatic or other copies (certified under his seal of office if requested) of any entry in the register or any document which is a matter of public record. In any proceeding or prosecution under this act, any copy so certified is prima facie evidence of the contents of the entry or document certified.

(H) The director in his discretion may honor requests from interested persons for interpretative opinions.

Section 21. PROOF OF EXEMPTION.

In any proceeding under this act, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

Section 22. STATUTORY POLICY.

This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it and to coordinate the interpretation and administration of this act with the related federal regulation.

Section 23. SHORT TITLE.

This act may be cited as the Securities Act of Kentucky.

Section 24. SEVERABILITY OF PROVISIONS.

If any provision of this act of the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 25. REPEAL AND SAVING PROVISIONS.

(A) Chapter 292 of the Kentucky Revised Statutes is hereby repealed.

(B) Prior law exclusively governs all suits, actions, prosecutions, or proceedings which are pending or may be initiated on the basis of facts or circumstances occuring before the effective date of this act, except that no civil suit or action may be maintained to enforce any liability under prior law unless brought within any period of limitation which applied when the cause of action accrued and in any event within two years after the effective date of this act.

(C) All effective registrations under prior law and all conditions imposed upon such registrations remain in effect so long as they would have remained in effect if they had become effective under this law.

They are considered to have been filed, entered or imposed under this act.

(D) Prior law applies in respect of any offer or sale made within one year after the effective date of this act pursuant to an offering begun in good faith before its effective date on the basis of an exemption available under prior law.

(E) Judicial review of all administrative orders as to which review proceedings have not been instituted by the effective date of this act are governed by section 18, except that no review proceeding may be instituted unless the petition is filed within any period of limitation which applied to a review proceeding when the order was entered and in any event within sixty days after the effective date of this act.

Section 26. **ADVISORY COMMITTEE.**

There is hereby created a Securities Advisory Committee which shall consist of 7 members to be appointed by the Governor on the basis of their experience and qualifications. The membership shall be selected, insofar as possible, on the basis of giving both geographic representation and representation to all phases of the securities business including the legal and accounting profession. (1) The Committee shall select a chairman and a secretary from their group. (2) Regular meetings may be held quarterly or semi-annually and special meetings may be called by the director upon at least 7 days written notice to each member sent by regular mail. (3) The first members of the Committee shall hold office as follows: 2 members shall be appointed for 2 years; 2 members shall be appointed for 3 years; and 3 members to be appointed for 4 years. Upon the expiraton of said original terms, subsequent appointments shall be for 4 years except in the case of a vacancy, in which event appointments shall be only for the remainder of the unexpired term in which the vacancy occurs.

Section 27. **COMMITTEE DUTIES.**

The Securities Advisory Committee shall: (1) serve in an advisory capacity to the director in all matters pertaining to this act; (2) acquaint themselves fully with the operations of the director's office as to the administration of securities, broker-dealers, salesmen, and investment advisers, and periodically recommend to the director such changes in the rules and regulations of the Division in connection therewith as they deem advisable; (3) appoint three of their members to act as an examining committee; (4) the Securities Advisory Committee shall receive no compensation, but shall be reimbursed as provided by law for their transportation, lodging and other expenses; provided, that members acting as an examining committee when directed to do so by the director shall be paid in addition to expenses allowed $25.00 per day for conducting examinations provided for herein.

Section 28. **TIME OF TAKING EFFECT.**

This act shall take effect on January 1, 1961.

SB 266, AN ACT relating to unemployment insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 341.070 of the Kentucky Revised Statutes is amended to read as follows:

Subject employer. As used in this chapter, unless the context clearly requires otherwise, "subject employer" means:

(1) Any employing unit which, in each of three calendar quarters in the preceding calendar year, had in covered employment four or more workers(whether or not the same workers), to as many as four of whom at least fifty dollars in wages was payable to each with respect to such covered employment in each such quarter.

(2) Any employing unit which for some portion of a day (but not necessarily simultaneously) in each of twenty different weeks (whether or not such weeks are consecutive) within either the current or the preceding calendar year, has or had in covered employment four or more workers (whether the same workers are or were employed in each such day).

(3) Any employing unit that succeeds to the organization, trade or business of another employing unit which at the time of such succession is a subject employer; and any employing unit which succeeds to the organization, trade, or business of any previously separate portion of another employing unit, which portion, if treated as a separate employing unit, would be, at the time of the succession, a subject employer under subsections (1) or (2) of this section.

(4) Any employing unit that succeeds to any of the assets of a subject employer's business by any means whatever, otherwise than in the ordinary course of trade, is a subject employer if:

(a) The transferee has continued or resumed the business of the transferor, either in the same establishment or elsewhere; and

(b) The transferee has employed substantially the same workers as those the transferor had employed in connection with the assets acquired; and

(c) The transferee has acquired a previously separate portion of the transferor's assets, which portion, if treated as a separate employing unit, would be, at the time of the succession, a subject employer under subsections (1) or (2) of this section.

(5) Any other employing unit which has elected to become subject to this chapter, pursuant to subsection (3) of KRS 341.250.

(6) Any employing unit which has in covered employment within this state workers subject to the Federal Unemployment Tax Act.

(7) Any employing unit which acquires the organization, trade, or business, or substantially all of the assets thereof, of another employing unit, if the covered employment of such employing unit subsequent to such acquisition, together with the covered employment of the acquired unit prior to such acquisition, both within the same calendar year, would be sufficient to constitute such employing unit a subject employer under the provisions of subsections (1) or (2) of this section. For the purpose of KRS 341.260 wages paid by the acquired unit shall be considered as having been paid by the acquiring unit.

(8) Any employing unit which, together with one or more other employing units, is owned or controlled (by legally enforceable means or otherwise) directly or indirectly by the same interests, or which owns or controls (by legally enforceable means or otherwise) one or more other employing units, and which, if treated as a single employing unit with such other employing units or interests, or both, would be a subject employer under subsections (1) or (2) of this section.

(9) Any employing unit which, having become a subject employer under subsections (1) to (8) of this section, has not ceased to be a subject employer under KRS 341.250.

(10) Notwithstanding the provisions of this section or any other provision of this chapter, no employing unit shall be initially determined a subject employer on the basis of covered employment performed more than six calendar years prior to the year in which such determination is made, unless the Commissioner can show that the records of such employment experience were fraudulently concealed or withheld for the purpose of escaping liability under this chapter.

Section 2. Section 341.380 of the Kentucky Revised Statutes is amended to read as follows:

Payment of benefits; amount. (1) All benefits shall be paid through employment offices, or such other agencies as may be designated by regulations of the Commission. Claims for all payments of benefits shall be made in accordance with regulations of the Commission.

(2) Benefits payable to an eligible worker for weeks of unemployment shall, except as provided in KRS 341.390, be at the rate in Column "C" of "Table B" on the same line on which, in Column "B," there appears the amount of base-period wages paid to him in that calendar quarter of his base period in which such base-period wages were highest.

TABLE B

Wage Class (A)	High Quarter Wages (B)	Weekly Benefit Rate (C)
0	Less than $250.00	$ 0.00
1	$250.00 – 287.50	11.00
2	287.51 – 312.50	12.00
3	312.51 – 337.50	13.00
4	337.51 – 362.50	14.00
5	362.51 – 387.50	15.00
6	387.51 – 412.50	16.00
7	412.51 – 437.50	17.00
8	437.51 – 462.50	18.00
9	462.51 – 487.50	19.00
10	487.51 – 512.50	20.00
11	512.51 – 537.50	21.00
12	537.51 – 562.50	22.00
13	562.51 – 587.50	23.00
14	587.51 – 612.50	24.00
15	612.51 – 637.50	25.00
16	637.51 – 662.50	26.00
17	662.51 – 687.50	27.00
18	687.51 – 712.50	28.00
19	712.51 – 737.50	29.00
20	737.51 – 762.50	30.00
21	762.51 – 787.50	31.00
22	787.51 – 812.50	32.00
23	812.51 – 837.50	33.00
24	837.51 – 862.50	34.00
25	862.51 – 887.50	35.00
26	887.51 – 912.50	36.00
27	912.51 or over	37.00

(3) The maximum amount of benefits payable to any worker within any benefit year shall be the amount equal to whichever is the lesser of (1) twenty-six times his weekly benefit rate or (2) one-third of his base-period wages, except that no worker's maximum shall be less than fifteen times his weekly benefit rate. Such maximum amount, if not a multiple of one dollar, shall be adjusted to the nearest multiple of one dollar.

Section 3. Section 2 of this Act shall become effective as of July 1, 1960, and nothing in this Act shall change or affect any determination made by the Commissioner or Commission under the provisions of KRS Chapter 341 prior to that date or determinations which will become effective prior to that date.

SB 237, AN ACT relating to plumbers and plumbing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 318.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this Act, unless the context requires otherwise:

(1) "Board" means the State Board of Health;

(2) "Journeyman plumber" means a person who engages or offers to engage, either as an occupation or otherwise, in the construction, installation, alteration, maintenance, repair, remodeling or removal and replacement of plumbing under the supervision, direction and responsibility of a master plumber;

(3) "Master plumber" means a person who assumes responsible charge, supervision or direction of journeyman plumbers, plumbers' apprentices and other persons in the construction, installation or alteration of plumbing or who engages in, offers to engage in or advertises or otherwise represents that he is permitted or qualified to engage in the design, planning, superintending, contracting for or responsible charge of plumbing;

(4) "Plumbing" means the art of installing in buildings the pipes for distributing the water supply, the fixtures for using water and drainage pipes for removing waste water and sewage, together with fittings, appurtenances, and appliances of various kinds, all within or adjacent to the building. It shall include:

(a) The water service pipe which forms the connection between the property line and the building;

(b) Private water supply systems;

(c) House sewers which convey the waste water and sewage from the building to the property line or other points of disposal; and

(d) Storm sewers, rain water piping and private sewage disposal systems.

(5) "Department" means the State Department of Health;

(6) "Public buildings" means any building intended for public use or built with public funds and includes but is not limited to the following: Schools, industrial establishments, housing projects, restaurants, food handling establishments, private clubs, theaters including drive-ins, trailer coach parks, camping areas, hospitals, nursing homes, hotels, motels, tourist courts, rooming houses, boarding houses, and other establishments furnishing public sleeping accommodations;

(7) "Maintenance man" means a person employed to maintain and keep plumbing in good repair; and

(8) "Apprentice" means a person in the process of learning the plumbing trade who assists and is under the personal supervision of a licensed master or licensed journeyman plumber.

(9) "Farmstead", except as otherwise provided by law or regu-

lation of the state or local boards of health, means a farm dwelling together with other farm buildings and structures incident to the operation and maintenance of the farm located outside the corporate limits of a municipality and comprising an area of land of not less than ten acres and not connected to a public water supply.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) This Act applies and shall be in full force and effect in counties containing a city of the first, second, or third class.

(2) The local board of health of any county, including those counties not containing a city of the first, second, or third class, may adopt the State Plumbing Code promulgated by the State Board of Health as a regulaton for the county, including the reasonable schedule of fees and charges fixed by the State Board of Health as authorized by Section 18(3) of this Act. After adoption of the State Plumbing Code by a local board of health, such code shall apply and be in full force and effect in such county and in all cities and towns therein.

(3) The State Plumbing Code promulgated by the board under the provisions of this Act applies and shall be in full force and effect for all public buildings regardless of location in the Commonwealth.

(4) This Act shall not apply to farmsteads.

Section 3. Section 318.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Nothing contained in this Act shall be construed as prohibiting the employment of apprentices to assist licensed master or licensed journeyman plumbers in their duties.

(2) This Act shall not apply to anyone who is employed or acts as a maintenance man.

(3) This Act shall not apply to persons employed by any water company, water district or sanitation district, in the laying, maintenance, and operation of its mains and other appurtenances in the conduct of its business.

(4) The provisions of this Act relating to the licensure of plumbers shall not apply to persons engaged in the practice of plumbing in counties other than those containing cities of the first, second, or third class.

Section 4. Section 318.030 of the Kentucky Revised Statutes is amended to read as follows:

No person shall engage in plumbing or engage in or work at the trade of plumbing in any county containing a city of the first, second or third class:

(1) Unless he is the holder of a valid and effective master plumber's license duly issued by the department in accordance with

the provisions of this Act or Chapter 318 of the Kentucky Revised Statutes; or

(2) Unless he is the holder of a valid and effective journeyman plumber's license duly issued by the department in accordance with the provisions of this Act or Chapter 318 of the Kentucky Revised Statutes.

Section 5. Section 318.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) An applicant for a master or journeyman plumber's license shall:

(a) Be at least eighteen years of age;

(b) Be of good moral character;

(c) Be a citizen of the United States or has filed with the United States District Court "first papers" for United States citizenship; and

(d) Possess all the other qualifications that may be prescribed by rules and regulations of the board.

(2) Except as otherwise provided in this Act, no master or journeyman plumber's license shall be issued except upon a successful passage of an examination as prescribed by the department.

(3) Examinations for a license as a master plumber or journeyman plumber shall be conducted at such times and places as may be fixed by the regulations of the board. Applicants for an examination shall furnish such information as may be required by the board and shall receive from the department due notice of the time and place of the examination.

(4) The department shall prepare or cause to be prepared under its supervision examinations consisting of written and practical tests with such questions and tests as in the discretion of the department will determine:

(a) With respect to master plumber's license applicants, that such applicants are qualified in view of the definitions, provisions, and purposes of this Act to carry on responsibly, reasonably, and competently, the activities which a licensed master plumber is authorized to engage in by this Act; and

(b) With respect to journeyman plumber's license applicants, their knowledge and competency to carry on the activities which a licensed journeyman plumber is authorized to engage in by this Act.

(5) The examination papers shall be preserved by the department for a period of one year.

Section 6. Section 318.050 of the Kentucky Revised Statutes is amended to read as follows:

The following application fees shall be paid to the department;

they shall accompany the application for a license and shall not be refunded:

By an applicant for an examination for a license as a master plumber, twenty-five dollars.

By an applicant for an examination for a license as a journeyman plumber, ten dollars.

Section 7. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Every master and journeyman plumber's license issued by the department shall expire on June 30 of each year following the date of issuance unless sooner cancelled or revoked.

(2) On or before June 1 of each year, the department shall send notices to all licensed master and journeyman plumbers in this state, at their last known addresses, advising them that the annual license renewal fee is due on July 1. The annual license renewal fee shall be a reasonable fee set by regulation of the board. The fee for the renewal of a master plumber's license shall exceed the fee charged for a journeyman plumber's license.

(3) Any master or journeyman plumber who fails to renew his license on or before July 1 of each year may have his license renewed upon payment of the required renewal fee and a revival fee. The revival fee for a master plumber shall be five dollars and for a journeyman plumber three dollars. If the renewal and revival fees are not paid by January 1 of the following year, such licenses shall be automatically cancelled by operation of law for nonpayment; provided, however, that such licenses may be reinstated upon payment of all delinquent renewal fees plus a revival fee of $10.00 for a master plumber and $6.00 for a journeyman plumber. Upon presentation of proper evidence, the department may waive payment of any renewal or revival fee specified herein for persons serving on active duty in the armed forces of the United States.

Section 8. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Persons actively engaged in the practice of plumbing as a master plumber in this state for a period of not less than five years prior to the effective date of this Act in a county or counties not heretofore subject to the provisions of Chapter 318 of the Kentucky Revised Statutes shall, upon furnishing adequate proof thereof to the department and upon payment of an application license fee of twenty-five dollars, be entitled to a master plumber's license without examination. Application for such a license shall be filed with the department not later than sixty days after the effective date of this Act.

(2) Persons actively engaged in the practice of plumbing as a journeyman plumber in this state for a period of not less than five

years prior to the effective date of this Act in a county or counties not heretofore subject to the provisions of Chapter 318 of the Kentucky Revised Statutes shall, upon furnishing adequate proof thereof to the department and upon payment of an application license fee of ten dollars, be entitled to a journeyman plumber's license without examination. Application for such a license shall be filed with the department not later than sixty days after the effective date of this Act.

Section 9. Section 318.060 of the Kentucky Revised Statutes is amended to read as follows:

An applicant who fails an examination shall be eligible upon re-application for the next regular examination upon the payment of an additional application fee. Applications shall be cancelled one year after receipt thereof, in the event the applicant fails to appear for examination.

Section 10. A new section of the Kentucky Revised Statutes is created to read as follows:

The department may revoke or suspend any plumber's license issued by it upon proof that the license has:

(1) Knowingly violated the provisions of this Act or the Kentucky State Plumbing Code, or the rules and regulations of the board;

(2) Practiced fraud or deception in applying for or obtaining a license;

(3) Is incompetent to perform services as a licensed master plumber or a licensed journeyman plumber;

(4) Permitted his license to be used directly or indirectly by another to obtain or perform plumbing work or services; or

(5) Is guilty of such other unprofessional or dishonorable conduct of a character likely to deceive or defraud the public.

Section 11. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) No license shall be suspended or revoked by the department unless a hearing has been conducted or an opportunity afforded therefor, at which the holder of the license shall have the right to be present in person or by counsel and to present evidence and be heard in his own behalf. The holder of the license shall be given written notice of the hearing at least thirty days prior to the date thereof. The notice shall state the time and place of the hearing and set forth the ground or grounds for the suspension or revocation in sufficient detail to apprise the holder of the license of the charges preferred against him. Upon failure of the holder of the license to respond to the complaint at or before the time of the hearing thereon, the allegations

set forth in the complaint shall be taken by the department as confessed. Proceedings at such hearings shall be in accordance with the rules and regulations of the board.

(2) The department shall appoint and provide for a hearing officer to conduct such hearings. The hearing officer shall have authority to issue subpoenas for the attendance of witnesses and the production of papers and records, administer oaths, schedule hearings and otherwise act in the name and on behalf of the department, but shall not have authority to suspend or revoke licenses. He shall cause to be prepared and shall certify to the department a complete written transcript of the record of each hearing, including all pleas, motions and other papers relating thereto, for consideration and decision by the department. An order of the department suspending or revoking a license shall be effective thirty days after notice of the entry of such order is given the holder thereof.

(3) Each notice required by this section to be given a licensee shall be served by forwarding same by registered mail, postage prepaid, to the holder at his address as it appears in the records of the department.

(4) A licensee aggrieved by an order of the department suspending or revoking a license may, within thirty days after notice thereof, appeal therefrom to the board in the manner provided by Section 311.090(1)(b) of the Kentucky Revised Statutes. The decision of the board shall be based on the transcript of evidence prepared by the hearing officer.

(5) A person aggrieved by an order of the board suspending or revoking a license may, within thirty days after notice of such suspension or revocation, appeal therefrom to the circuit court of the county in which the principal office of the department is located by filing a statement of appeal therein together with an appeal bond with good and sufficient surety to secure the payment of any costs charged against him on the appeal. The cost of preparing and certifying the record shall be paid to the department by the appellant and taxed as costs in the action to be paid as directed by the court upon final determination of the action. The appeal shall be determined by the court upon the certified record and no new or additional evidence shall be heard or considered by the court.

(6) Either party aggrieved by a final order entered by the circuit court may appeal to the Court of Appeals as in a civil action.

Section 12. Section 318.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) In order to conduct examinations for persons to qualify as licensed master plumbers or journeyman plumbers, the department shall appoint as examiners the following persons to a State Plumbers Examining Committee: The director of the Division of Engineering in

the Department of Health, and three other persons who shall be licensed either as master or journeyman plumbers. The Commissioner of Health shall be an ex-officio examiner and permanent secretary of the committee. With the exception of the issuance of any order involving the revocation, suspension or cancellation of a master or journeyman plumber's license, the Commissioner of Health or the director of the Division of Engineering may delegate to a subordinate employee in the department the power to be present and participate, including the right to vote, as his representative at any meeting, hearing or other proceeding of the State Plumbers Examining Committee. Plumber examiners shall serve at the pleasure of the department.

(2) The department shall appoint assistant plumber examiners who shall be qualified licensed master or journeyman plumbers who shall serve at the pleasure of the department. Assistant plumber examiners shall perform such duties as are delegated to them by the State Plumbers Examining Committee.

(3) Plumber examiners and assistant plumber examiners shall receive no compensation for their services but shall be reimbursed for their necessary traveling expenses.

Section 13. Section 318.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall appoint and assign plumbing inspectors to each county subject to the provisions of this Act and as provided in Subsection (3) of this section.

(2) Each plumbing inspector shall have at least eight years' experience as a journeyman or master plumber. At the time of his appointment he shall be licensed in accordance with the provisions of this Act.

(3) In counties other than those containing cities of the first, second or third class in which the local board of health has adopted the State Plumbing Code by regulation for the county, the department shall assign plumbing inspectors to such county in consideration of the plumbing installation permit fees collected by the local health department.

Section 14. Section 318.100 of the Kentucky Revised Statutes is amended to read as follows:

No person shall advertise or hold himself out as a licensed master or licensed journeyman plumber within the Commonwealth of Kentucky unless he is holder of a license from the State Department of Health in accordance with the provisions of this Act.

Section 15. Section 318.110 of the Kentucky Revised Statutes is amended to read as follows:

A company or individual principal may engage in the business of plumbing within a county containing a city of the first, second or third class if some person connected with such a company or individual principal in responsible charge of the plumbing work is a licensed master plumber. Any master plumber, in responsible charge of plumbing work for a company or individual engaged in the plumbing business, shall notify the department at any time he commences or severs his connection with the company or individual principal.

Section 16. Section 318.120 of the Kentucky Revised Statutes is amended to read as follows:

No person or corporation who assumes responsible charge and direction of other persons in the installation of plumbing and drainage in counties containing cities of the first, second or third class, shall employ or engage any person not licensed under this Act to perform and install plumbing and drainage. Provided, however, that this section shall not be deemed to prohibit the employment or use of apprentices as defined in this Act.

Section 17. Section 318.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) In order to administer this Act, the board shall promulgate, and thereafter from time to time may amend, a code to be known as the Kentucky State Plumbing Code, regulating the construction, installation and alteration of plumbing and plumbing fixtures and appliances, house sewers or private sewage disposal systems and private water supplies, methods and materials to be used therein within this state, using as a minimum standard therefor the basic principles of the National Plumbing Code Coordinating Committee, as evidenced by that committee's final report of 1951 with such variations thereof or additions thereto as the board considers are warranted by local, climatic or other conditions. The code may also designate the number of plumbing fixtures for public buildings. The board may adopt any other reasonable rule or regulation to administer this Act.

(2) All applications for plumbing installation permits shall duly promulgated by them on file with the Legislative Research Commission in Frankfort, Kentucky, on the effective date of this Act.

Section 18. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) In counties containing a city of the first, second, or third class, and in counties in which the State Plumbing Code has been adopted by regulation of the local board of health, no person, firm or corporation shall:

(a) Construct, install, or alter, or cause to be constructed, installed, or altered, any plumbing without first having procured a plumbing installation permit therefor from the department.

(b) Use or continue to use, or permit the use or continued use of, any plumbing constructed, installed, or altered under a plumbing installation permit issued therefor where the department, through a duly authorized inspector, employee or agent, finds that the plumbing was not constructed, installed or altered in accordance with such permit and the Kentucky State Plumbing Code.

(2) All applications for plumbing installation permits shall be accompanied by plans and specifications of the proposed plumbing installation, location and construction of water supply system, type of sewage disposal, location or septic tank, drain field or pit to be used. No plumbing installation permit shall be issued until plans of the sewage disposal have been submitted to and approved by the department together with the results of an approved percolation test.

(3) The board shall fix a reasonable schedule of fees and charges to be paid for plumbing installation permits and the necessary inspections incident thereto. The board shall also fix a reasonable schedule of fees and charges to be paid for necessary inspections of the construction, installation or alteration of plumbing in public buildings.

Section 19. A new section of the Kentucky Revised Statutes is created to read as follows:

All license fees, permit and inspection fees and charges, and other monies collected by the department, under the provisions of this Act and the rules and regulations of the board adopted hereunder, shall be paid into the State Treasury and credited to a trust and agency fund to be used by the department in carrying out the provisions of this Act. No part of this fund shall revert to the general fund of the Commonwealth. All monies held in a trust and agency fund or other fund to the credit of the department for the administration and enforcement of Chapter 318 of the Kentucky Revised Statutes on the effective date of this Act are hereby transferred to the trust and agency fund herein created.

Section 20. Section 318.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any city of the first, second, or third class may, by ordinance, enact a plumbing code, not less stringent in its provisions than the Kentucky State Plumbing Code, regulating the construction, installation, or alteration of plumbing within such city, providing for the issuance of plumbing installation permits and fixing permit and inspection fees. The department may authorize any such city to administer, carry out, and enforce the Kentucky State Plumbing Code and the rules and regulations of the board relating thereto and to issue permits and made inspections thereunder within such city, in which event a permit issued under the provisions of the city plumbing code ordinance shall be deemed a permit issued by the department; provided, how-

ever, that inspectors of the department shall have concurrent jurisdiction with city plumbing inspectors in the enforcement in such cities of the Kentucky State Plumbing Code.

(2) Any city enacting a plumbing code ordinance may appoint and fix the compensation of city plumbing inspectors. No person shall be eligible for appointment as a city plumbing inspector unless he has at least eight years experience as a master or journeyman plumber. At the time of his appointment he shall be licensed in accordance with the provisions of this Act.

(3) Nothing contained in this Act shall be construed as prohibiting a city from collecting occupational license fees from persons, firms or corporations engaged in the plumbing business.

Section 21. Section 318.150 of the Kentucky Revised Statutes is amended to read as follows:

No person shall use unsafe or defective material in the work of plumbing or drainage. Only the best known methods of installing materials, fixtures, appurtenances and appliances, including water supply piping, waste, ventilating and soil piping, and sewage piping shall be employed.

Section 22. A new section of the Kentucky Revised Statutes is created to read as follows:

Except as otherwise provided by law or by regulation of the board, no person shall construct, install, or extensively alter any plumbing, sewerage, or water supply system of any public building or establishment without having first obtained the approval of the department in writing. Detailed plans and specifications of the proposed facility showing the plumbing system, sewage disposal system, and water supply system shall be submitted to the department prior to the construction or alteration of the facility. In the event no public sewer is available, the plan shall include the proposed type of sewage disposal system. In the event a sewage sub-soil drainage system is used, a complete soil study, including among other pertinent data, the results of percolation tests shall be submitted. Such percolation tests shall be conducted in accordance with the standards adopted by the department. All plans and specifications shall be submitted in triplicate to the department. The department shall notify the applicant in writing of the approval or disapproval of the plans. The construction, installation or alteration shall be done in accordance with the approved plans.

Section 23. A new section of the Kentucky Revised Statutes is created to read as follows:

For the purpose of enforcing the provisions of this Act and the State Plumbing Code, officers, agents and inspectors of the department shall have the power and authority to enter upon premises at all reasonable times for the purpose of making inspections, to interrogate all persons and to require the production of plumbing installation permits and other evidence. Officers, agents, and inspectors of the department are empowered to issue a stop order to any owner, agent, or occupant of real property whenever the plumbing thereon is found by the officer, agent or inspector of the department to be in violation of this Act or the State Plumbing Code.

Section 24. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Notwithstanding the existence or pursuit of any other remedy (civil or criminal) the department, or its officers, agents, or inspectors, are hereby authorized to institute and maintain actions to restrain and enjoin any violation of this Act, the State Plumbing Code, or the rules and regulations of the board relating thereto.

(2) City, county and Commonwealth attorneys, and the Attorney General, shall within their respective jurisdiction represent the department, its officers, agents, and inspectors, in the enforcement of the provisions of this Act, the State Plumbing Code, and the rules and regulations of the board relating thereto, but when the department deems it necessary, it may employ, at its discretion, special attorneys to assist the department, or its officers, agents, or inspectors, and may pay reasonable compensation, fees and other costs from any unexpended plumbing funds.

Section 25. Section 318.990 of the Kentucky Revised Statutes is amended to read as follows:

Any person who violates any provision of this Act or any regulation adopted hereunder or any provision of the State Plumbing Code shall be fined not less than ten dollars nor more than one hundred dollars or imprisoned for not more than ninety days or both for each offense. Each day the violation continues shall constitute a separate offense.

Section 26. Section 318.070 of the Kentucky Revised Statutes is hereby repealed.

SB 264, AN ACT relating to planning and zoning in cities of the first class and in counties containing such cities, amending KRS 100.053, KRS 100.057 and KRS 100.085, subsection (2).

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.053 is amended to read as follows:

(1) Before any proposed adjustment is approved or disapproved such proposal shall be the subject of a public hearing. If the power to approve adjustments has not been delegated to the commission as stated in KRS 100.055 (1), said public hearing shall be before the

commission. The commission shall conduct such public hearing in the manner provided in KRS 100.048 for public hearings on the original master plan, or part or parts thereof.

(2) If the power to approve adjustments in the zoning plan has been delegated to the commission as provided for in KRS 100.055 (1), said public hearing on any proposed adjustment to the zoning plan shall be held before a hearing officer. One or more such hearing officers shall be appointed by the mayor, with the approval of said legislative body, and such hearing officer or officers shall hear such proposed adjustments for land located in such city, and his term of office shall be at the pleasure of the mayor. One or more such hearing officers shall be appointed by the county judge, with approval of the fiscal court, and such hearing officer or officers shall hear such proposed adjustments for land located in the unincorporated area of such county, and his term of office shall be at the pleasure of the county judge. Any such hearing officer shall be an attorney at law and his compensation shall not exceed thirty dollars per day. Such hearing officer or officers appointed by the county judge shall be paid by such county, and such hearing officer or officers appointed by the mayor shall be paid such city. Such hearing officer or officers shall have the right to subpoena and administer oaths to witnesses. All testimony shall be under oath and shall be reported and transcribed by a court reported, whose fee shall be paid by the proposer of said adjustment. All witnesses may be cross-examined. The members of the commission may be present at any such hearing if they so desire. The hearing officer shall prepare and transmit to the commission his findings of fact and his recommendation as to the approval of disapproval of the proposed adjustment. Any person, firm or corporation, or any governmental agency, board or body, interested and affected by such proposed adjustment, may enter his or its appearance before the hearing officer at such hearing and shall be heard.

Section 2. KRS 100.057 is amended to read as follows:

(1) Any party of record at the hearing before the hearing officer, claiming to be injuriously affected or aggrieved by the action or decision of the commission, may appeal to the circuit court for a review of such action or decision. An appeal shall stay all action by all parties of record in the matter appealed from. Such appeal shall be taken within thirty days after notice of such action or decision has been given, as herein provided, by filing in the office of the clerk of the circuit court a statement of appeal, setting forth the action or decision appealed from, the date thereof, and the reasons for said appeal. Summons shall issue upon the statement of appeal, directing the parties of record to file answers within twenty days after service thereof and directing the commission to send to the clerk of circuit court the entire original record made before said hearing officer and a certified copy of the commission's action or decision.

(2) No new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of KRS 100.031 to KRS 100.097 and affecting said action or decision. The findings of fact by the commission, if supported by competent, substantial and credible evidence, shall be accepted by the court as conclusive, and no objection to said action or decision shall be considered by the court unless such objection shall have been made before the commisson or the hearing officer. The court shall hear the appeal upon the record as certified by the commission and shall dispose of the appeal in a summary manner, its review being limited to determining whether or not:

(a) The commission acted without or in excess of its powers;

(b) The action or decision was procured by fraud;

(c) The action or decision is not in conformity with the provisions of KRS 100.031 to KRS 100.097; and

(d) The action or decision is supported by competent, substantial and credible evidence.

(3) The commission and all parties of record may appear in such review proceedings. The court may affirm, reverse or modify the action or decision appealed from, or remand the case to the commission for further proceedings in conformity with the direction of the court.

(4) Costs shall not be allowed against the commission unless it appears to the court that it acted with gross negligence, in bad faith or with malice.

(5) Appeals may be taken from the judgement of the circuit court to the Court of Appeals in the same manner as common law actions are appealed.

Section 3. KRS 100.085, subsection (2), is amended to read as follows:

(2) After the appeal is taken the procedure therein shall be the same as in common law actions, and all parties to the proceeding shall have the right to any and all processes, including subpoena, allowed in other cases in said circuit court. Hearings in the circuit court shall be de novo and heard by the judge, and appeals may be taken from the decision of said circuit court to the Court of Appeals of Kentucky in the same manner as common law cases are appealed.

Section 4. Inasmuch as there is an immediate need for the amendments proposed herein, an emergency is hereby declared to exist and this Act shall be effective immediately upon its passage and approval by the Governor.

SB 265, AN ACT relating to motor vehicles and motor transportation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new subsection of Section 281.605 of the Kentucky Revised Statutes is created to read as follows:

The provision of this chapter shall not apply except as to safety regulations to motor vehicles used exclusively for the transportation and delivery of coal from the mining source to a point within a radius of fifty air miles from such mining source.

Section 2. A new section of the Kentucky Revised Statutes, Chapter 186 is created to read as follows:

Motor vehicles used exclusively for the transportation and delivery of coal from the mining source to a point or points within a radius of fifty air miles of such mining source shall pay an annual registration fee at the rate of one-half of the scale of taxes imposed by KRS 186.050 (3) and shall pay an additional fee at the rate of one-half of the scale of taxes imposed by KRS 186.055 (1) which taxes shall be in lieu of the taxes imposed by KRS 186.050 and 186.055.

HB 255, AN ACT relating to traps and other devices used for the purpose of taking wild animals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 150.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall set, use or maintain, for the purpose of taking wild animals, any steel trap unless the size and type of the trap has been approved by the Commissioner and the Commission by regulation.

(2) The Commissioner may approve, by regulation, any commercially manufactured trap which is designed to take animals alive and unhurt or to kill instantly.

(3) Subject to the provisions of KRS 150.410 it shall be lawful to use snares, deadfalls, wire cage or box traps, but no person shall set, use or maintain a snare large enough to take deer, elk or bear.

(4) Any maufacturer designing a new trap may send a sample to the Commissioner for approval or disapproval.

SB 62, AN ACT relating to civil practice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In order to assist the litigants in prosecuting and defending their civil actions, the judge of the quarterly court in each county shall prescribe forms for complaints, answers, writs of attachment, garnishment and replevin and all other pleadings and papers commonly filed in civil actions in quarterly court. The forms shall be as simple as practicable and shall conform to the Rules of Civil Procedure. The judge or clerk shall assist any individual in the preparation of a complaint and other papers necessary in a civil action. Either the judge, the clerk, or a deputy clerk shall be in his office during ordinary business hours every day except Sunday and holidays to give such assistance.

Section 2. Section 453.050 of the Kentucky Revised Statutes is amended to read as follows:

Clerks shall tax one attorney's fee only in the bill of costs of the successful party at the termination of the action. No garnishee shall be allowed an attorney's fee. The bill of costs of the successful party shall include, in addition to other costs taxed, the tax on law process and official seals, all fees of officers with which the party is chargeable in the case, postage on depositions, the cost of copy of any pleading or exhibit obtained, the cost of any copies made exhibits and the allowance to witnesses, which the court may by order confine to not more than two witnesses to any one point.

HB 252. AN ACT relating to prisoners in third-class cities; and declaring an emergency to exist.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 26.470 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person fined in the police court of a city of the third class shall be committed to the city prison until the fine and costs are paid or replevied, but not for more than one day for each one dollar of the fine and costs. He may be required by ordinance to work in the city workhouse or on the streets, alleys or any public work of the city, until the fine and costs are satisfied, at the rate of one dollar per day; provided, however, that no prisoner shall be worked for private individuals or establishments.

(2) Persons sentenced to imprisonment may be required to work in the same way during the period of imprisonment.

Section 2. A new subsection of Section 26.990 of the Kentucky Revised Statutes is created to read as follows:

Any jailer or workhouse keeper of a city of the third class who works a prisoner for a private individual or establishment in violation of KRS 26.470 shall be fined one hundred dollars for each violation.

HB 301, AN ACT relating to benefits of members of the police or fire departments in cities of the fourth and fifth classes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 95.773 of the Kentucky Revised Statutes is amended to read as follows:

If any member of the police or fire departments, while in the performance of his duty, becomes temporarily, totally disabled, physically or mentally, for services by reason of service in such departments, the board of trustees shall order the payment to such disabled member, monthly during such disability, not to exceed one year, from such pension fund, not exceeding sixty dollars per month, the said amount to be determined by the board of trustees, provided such member, during the same period, is paid no salary as such member. If any member of the police or fire departments, while in the performance of his duty, becomes mentally or physically permanently disabled by reason of service in either of said departments so as to render necessary his retirement from service in either said departments, said board of trustees shall retire such disabled member from service in either of said departments, provided no such retirement on acount of disability shall occur unless said member has contracted said disability while on duty in the service of said police or fire department, and upon such retirement the board of trustees shall order the payment to such disabled member of such police or fire department, monthly, from such pension fund, a sum equal to one-half of the monthly salary such member was receiving at the date of his retirement, provided such member has had twelve or more years' constant service in either of said departments. Any member of the said police or fire departments who has less than twelve years of constant service in the said department and becomes disabled for service and eligible for retirement under this section shall receive monthly such sum from such pension fund fixed by the board of said trustees any amount not to exceed one-half of the amount which such member of the police or fire department was receiving in monthly salary at the date of his retirement. If any member of said police or fire department shall, while in the performance of his duty, be killed or die as a result of an injury received in the line of his duty, or of any disease contracted by reason of his occupation, or shall die from any cause whatsoever as a result of his services in either of said departments, and while in said service, or after having served continuously for twelve years shall die while in the service or on the retired list from any cause, and shall leave a widow, or child or children under the age of fourteen years, said board of trustees shall direct the payment from said pension fund, monthly, to such widow, while unmarried, a sum equal to one-half of the monthly salary or pension payment such member was receiving at the date of his death, and for each child until it reaches the age of fourteen years, six dollars, and to the dependent father and mother to be paid as follows: If the father be dead, the mother shall receive thirty dollars, and if the mother be dead, the father shall receive thirty dollars, and if both be living, each shall receive fifteen dollars.

HB 247, AN ACT relating to stockyards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (2) of Section 261.230 of the Kentucky Revised Statutes is amended to read as follows:

(2) The owner or operator of each stockyard shall pay on or before July 1 of ecah year a license fee of twenty-five dollars plus ten dollars for each scale operated in excess of one.

Section 2. Section 261.310 of the Kentucky Revised Statutes is repealed.

HB 19, AN ACT relating to automotive safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The term "hydraulic brake fluid" as used in this Act shall mean the liquid medium through which force is transmitted to the brakes in the hydraulic brake system of a vehicle.

Section 2. Every hydraulic brake fluid that shall be sold, offered for sale, or used for service in any vehicle shall conform to the standards and specifications of the Society of Automotive Engineers applicable to such fluid.

Section 3. The Department of Public Safety shall adopt and enforce regulations and standards which shall be compatible with the standards and specifications of the Society of Automotive Engineers, so far as practicable.

Section 4. Every manufacturer of any hydraulic brake fluid sold, offered for sale, or used for service in any vehicle shall submit to the Department for approval a laboratory analysis report for each product produced, sold, or used in Kentucky. The analysis shall be conducted by an independent and qualified testing laboratory and shall verify that each product meets the minimum standards of heavy duty type hydraulic brake fluid specifications, designated as S. A. E. 70-R-1.

(a) Any alteration or adulteration made to any approved hydraulic brake fluid by the manufacturer, dealer, or seller shall be reported to the Department. An approval from the Department shall be obtained before any such product shall be sold, offered for sale, or used for service in this state.

(b) Every can, bottle, or other type of container used for the containing of hydraulic brake fluid shall be labeled to specify the composition of the contents. Such specifications shall denote conformity of the contents with the minimum standards of heavy duty type hydraulic brake fluid specifications, designated as S. A. E. 70-R-1.

Section 5. The Department shall approve the laboratory analysis report as to its conformity with the standards required by this Act, and no hydraulic brake fluid shall be sold in this state after September 1, 1960, unless such approval has been granted.

Section 6. Any person who violates any of the provisions of this Act shall be fined not less than fifty dollars nor more than five hundred dollars.

SB 221, AN ACT relating to junkyards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) No person shall establish within this Commonwealth any operation having as its purpose the trafficking in, or storage of, junk, and wrecked or derelict motor vehicles or parts without having first obtained a permit therefor.

(2) No permit shall be issued unless such operation is to be more than fifty feet from any state or federal highway or right of way, and shall be enclosed by a fence at least six feet in height.

(3) The permit required by the provisions of this Act shall be procured from the Planning and Zoning Commission in conformance with the rules and regulations of this Commission. In cities and counties where there is no Planning and Zoning Commission, this permit shall be obtained from the fiscal court.

SB 113, AN ACT relating to the licensing and regulation of the sale of agricultural limestone.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context otherwise requires:

(1) "Department" means the Department of Agriculture, Labor and Statistics;

(2) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics;

(3) "Owner" means any individual, firm, partnership, corporation, organization or association or any combination thereof who own a business for the purpose of manufacturing, processing, quarrying, mining or dredging of agricultural limestone which may be exposed or offered for sale in the Commonwealth of Kentucky;

(4) "Agricultural limestone" means limestone that is used for the

purpose of neutralizing the acidity of soil and thereby improving its fertility.

Section 2. On or before July 1, 1960, and on or before July 1 of each year thereafter, any owner who conducts a business for the purpose of offering or exposing for sale agricultural limestone shall register with the department, on a form supplied by the department, before such owner shall engage in any business in Kentucky. Every owner shall register annually thereafter with the department and shall pay an annual fee of ten dollars for each place of business mantained in Kentucky during the year. The registration and annual fee shall also be paid by any owner maintaining a place of business outside Kentucky but engaging in business within Kentucky. Every nonresident owner shall designate a resident agent upon whom service of notice or process may be made to enforce the provisions of this Act or any liabilities arising from violations of this Act.

Section 3. The commissioner shall have the power to promulgate, alter or rescind any rules or regulations for the enforcement of this Act and the following matters:

(1) Standards or specifications regarding the calcium carbonate content of agricultural limestone as determined by chemical analysis, and in conformity to acceptable United States Department of Agriculture standards;

(2) Size of particles of limestone as measured by wire mesh screen determination, and in conformity to acceptable United States Department of Agriculture standards;

(3) Furnishing of reports and information necessary for the department to carry out the provisions of this Act.

Section 4. The commissioner may employ such personnel as he may deem necessary for the proper enforcement of this Act.

Section 5. The department's authorized representatives shall have the authority to enter upon public and private premises or to stop public and private conveyances for the purpose of inspection and to obtain samples of agricultural limestone.

Section 6. A license may be revoked at any time for just cause as hereinafter provided. Grounds for revocation of a license are as follows:

(1) Material misrepresentations made for the purpose of defrauding any member of the public or the sale of any materials which do not conform to the standards prescribed by the commissioner or as set forth in this Act by an owner or any regular employe, solicitor, agent, or representative of the owner.

(2) Failure by the owner to pay any final judgment rendered against any owner or regular employee, solicitor, agent, or representa-

tive of said owner by reason of violations or any provisions of this Act.

Section 7. The commissioner shall notify any applicant or owner by registered mail of any decision to refuse to grant a license or to revoke a license within ten days after such decision, and the applicant or owner shall have thirty days after such notification within which to petition the commissioner for a rehearing. The commissioner shall within ten days after the said rehearing notify the applicant or owner of his decision, and if the decision be unfavorable, said applicant or owner shall have thirty days within which to appeal such decision to the Franklin Circuit Court. If the owner takes such appeal within the time herein provided, the revocation by the commissioner shall not become final until finally adjudicated, however the commissioner may require the posting of a reasonable and appropriate bond pending final adjudication.

Section 8. All monies received from the license fees and fines collected by the department hereunder shall be deposited to a revolving fund in the State Treasury to be used for the administration and enforcement of this Act.

Section 9. Any person violating any of the provisions of this Act shall upon conviction thereof be guilty of a misdemeanor. Each separate violation of this Act shall constitute a separate offense and be punishable by a fine of not less than fifty dollars nor more than three hundred dollars or by imprisonment in jail for ninety days, or both.

Section 10. For the administration and enforcement of this Act, the sum of fifteen thousand dollars is appropriated from the General Expenditure Fund for each of the fiscal years 1960-61 and 1961-62.

SB 258, AN ACT relating to workmen's compensation insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The policy of workmen's compensation insurance may be canceled by the insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. The policy may be canceled by the company by mailing to the insured at the address shown in the policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. Mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the insured or by the company shall be equivalent to mailing.

Section 2. If the company or the insured cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The company's check or the check of its representatives mailed or delivered as provided in Section 1 of this Act shall be sufficient tender of any refund of premium due to the insured.

HB 159, AN ACT relating to the Legislative Research Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 7.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) There is hereby created a Legislative Research Commission composed of the Lieutenant Governor, the President Pro Tem of the Senate, the Speaker of the House of Representatives, the majority and minority floor leaders of the Senate and the House of Representatives, one member from the Senate elected by the membership of the Senate in a manner prescribed by the Senate, and one member from the House of Representatives elected by the membership of the House of Representatives in a manner prescribed by the House of Representatives. Immediately upon this Act taking effect the Senate and the House of Representatives shall fill the membership on the Commission by each electing one member thereto, and the two members upon being so elected shall be members of the Commission. At each regular session of the General Assembly thereafter, the Senate and the House of Representatives each shall elect one member to the Commission immediately after the election of constitutional officers and announcement of Floor Leaders for the session. Any vacancy in the Commission shall be filled by the remaining members thereof, provided, if the vacancy is in the membership of the House of Representatives then the successor shall be from the House, and if the vacancy is from the Senate membership of the commission then the successor shall be from the Senate. A member thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor. The Lieutenant Governor shall be ex officio, chairman of the Commission.

(2) The Legislative Research Commission shall meet during regular and special sessions of the General Assembly, and during the intervals between sessions at such times and places as the chairman may determine. Meetings of the Commission shall be called by the chairman on his own initiative, or at the written request of any three members of the Commission. For attending meetings between sessions, whether regular or special, of the General Assembly, the members of the Commission, or any subcommittee thereof, shall be paid

their necessary traveling expenses and in addition thereto twenty-five dollars per day.

(3) The Commission shall appoint a director, who shall have had graduate training in government in a recognized university or college or practical experience in governmental administration, and who shall hold office at the pleasure of the Commission. The salary of the director shall be determined by the Commission. The Commission shall have exclusive jurisdiction over the employment of such personnel as may be necessary to effectuate the provisions of KRS 7.090 to 7.110.

(4) Any professional, clerical or other employes required by any committee appointed by the General Assembly shall be provided to the committee by the Legislative Research Commission. The chairman of the committee shall advise the director of the Legislative Research Commission of his need for such personnel. In the event that the personnel required by any committee cannot be met by the staff of the Legislative Research Commission, the director shall employ such personnel as necessary to meet the needs of the committee, and shall fix the rate of compensation of such employes.

(5) The director shall, at the discretion of the Commission and under its supervision and control, provide for the allocation of the work and activities of all employes of the Commission.

(6) The Commission may, in effectuating the provisions of KRS 7.090 to 7.110, contract with any public or private agency or educational institution or any individual for research studies, the gathering of information or the printing and publication of its reports.

Section 2. Whereas, it is necessary that the two members elected from the respective Houses assume membership on the Commission as soon as possible to assist in the effective organization of the Commission for the coming biennium, an emergency is declared to exist and that this Act is to take effect immediately upon its passage and approval by the Governor.

HB 290, AN ACT relating to tobacco warehouses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 248.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall operate a tobacco warehouse without first having obtained an annual license from the Department of Agriculture, Labor and Statistics.

(2) Each warehouse shall pay to the department an annual license fee of twenty-five dollars. A license fee shall be paid on each warehouse building operated as a place of sale for tobacco, regardless

of the number of such buildings owned by any individual, corporation, firm or other type of management organization. It shall be paid on July 1 of each year.

(3) The amount of the license fees collected by the department shall be paid into the State Treasury to the credit of a revolving account to be used in the administration of this section.

Section 2. (1) The Department may suspend or revoke the license of any warehouseman convicted by a court of competent jurisdiction for wilfully mis-weighing any tobacco, and may refuse to grant a license to any warehouseman so convicted.

(2) Any warehouseman whose license has been suspended or revoked, or whose application for a license has been refused, as herein provided, may appeal to the Board of Agriculture, which Board, after hearing, may affirm, reverse or modify the order appealed from. The order of the Board may be appealed to the Franklin Circuit Court as provided in Section 11 of this Act.

Section 3. Section 248.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department shall administer KRS 248.290 to 248.450 and shall have general supervision over the sale of tobacco in warehouses throughout the state.

(2) The Commissioner shall employ such inspectors and other employes as are necessary for the enforcement of KRS 248.290 to 248.450 and fix the duties and compensation of such employes.

Section 4. Section 248.410 of the Kentucky Revised Statutes is amended to read as follows:

(1) All warehousemen shall submit to the Department a list of names of all weighmen employed, and shall post with the Department a bond in the amount of one thousand dollars for each weighman listed, with surety approved by the Department, conditioned on the faithful performance of his duty.

(2) Whenever an allegation is made that any bonded weighman has wilfully misrepresented the weight of any tobacco weighed by him, the Department shall order a hearing thereon. If, after hearing, it is determined that the weighman has wilfully misrepresented the weight of any tobacco weighed by him, his bond shall be forfeited and the proceeds thereof paid into the State Treasury. Any order of forfeiture may be appealed within twenty days to the Board of Agriculture, which after hearing may affirm or set aside such order. The order of the Board may be appealed to the Franklin Circuit Court as hereinafter provided.

(3) No person other than a bonded weighman shall be permitted to weigh tobacco for the purpose of sale at any tobacco warehouse.

(4) All tobacco placed on any warehouse floor for the purpose of sale shall be weighed by a bonded weighman. If any such tobacco is placed on the floor earlier than the fifteenth day prior to the opening date of sales for that season, it shall be weighed or re-weighed by a bonded weighman on or after said fifteenth day and such weighing or re-weighing shall constitute the official weighing for the purpose of this Chapter.

Section 5. Section 248.420 of the Kentucky Revised Statutes is amended to read as follows:

No warehouseman shall attempt by any means to influence a weighman to report falsely the weight of any tobacco sold on the floor of his warehouse.

Section 6. Section 248.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who receives or undertakes to receive or take care of leaf tobacco for sale at public auction, whether with or without compensation, shall post or cause to be posted, a notice, in a conspicuous place upon his premises, stating the number of pounds in the aggregate, actually sold, and the average price per pound received on account of each day's sale. He shall post the notice not later than 9 a.m. on the day following the sale. He shall also, not less than thirty minutes prior to such a sale, post at a point in the office of his warehouse, convenient and accessible for public inspection, a typewritten or printed list showing the true name and postoffice address of the owner and producer and the number of pounds of tobacco of each person whose tobacco will that day be offered for sale in the warehouse. No tobacco shall be delivered to or received by any warehouse for sale at public auction, unless the true names and post-office addresses of the producer and owner of the tobacco are furnished the warehouse by the person delivering the tobacco.

(3) No warehouseman who posts the list of names and post-office addresses of the owners and producers of tobacco to be offered for sale in his warehouse, as required by this section shall be liable to the holder of any lien on such tobacco, whether under a recorded chattel mortgage or otherwise, unless written notice of such lien and the amount thereof is given to the warehouseman prior to the payment of the proceeds of sale to the owner or producer; and a bona fide purchaser for value of such tobacco at auction in the ordinary course of business shall take title thereto free and clear of all liens and encumbrances.

Section 7. (1) There is hereby created in the Department of Agriculture, Labor and Statistics, a "Tobacco Auction Warehouse Board" to be composed of the Commissioner of Agriculture, Labor and Statistics, as ex-officio chairman, and six members appointed by the Governor, as follows: Two producer members from a list or lists of the names of tobacco farmers submitted by the Kentucky Farm Bureau Federation and by such other farm organizations; two warehouse members from a list or lists of the names of tobacco auction warehouse operators submitted by the Burley Auction Warehouse Association; and two buyer members from a list or lists of the names of persons engaged in the business of buying loose leaf tobacco at auction submitted by the Burley Leaf Tobacco Dealers Association and by such other tobacco buyers' trade organizations.

(2) All members appointed to the Board shall serve three years, and until their successors are appointed and qualified; except that in the case of the members first appointed, two shall be appointed for one year, two for two years, and two for three years, beginning July 1, 1960. All members must be residents of the Commonwealth and no two appointed members shall be residents of the same county. Vacancies occurring during a term shall be filled by appointments for the unexpired term from a list of names submitted by the respective organization.

Section 8. (1) No person shall operate a warehouse for the sale of tobacco at public auction, or increase the floor space or selling capacity of any such warehouse, without having obtained from the Tobacco Auction Warehouse Board a permit therefor. Any person who violates any of the provisions of this section, shall, upon conviction, be fined not less than one hundred dollars nor more than one thousand dollars for each offense; and each day of operation without the required permit shall constitute a separate offense. Upon complaint filed by the Commissioner of Agriculture, Labor and Statistics, by the holder of any lawful permit issued hereunder, or by any other party in interest, violation of the provisions hereof may be enjoined by any court of competent jurisdiction.

(2) Application for any such permit shall be filed in such manner as the Board may prescribe. Upon the filing of any application, the Board shall fix a time and place for a hearing thereon. If, after hearing, it appears that existing warehouse service is inadequate, and that there is sufficient need for and the public interest requires such warehouse of such additional warehouse space in the locality in which it is proposed to be established, the Board shall grant such permit; but unless it so appears, the application shall be denied.

Section 9. Any person, partnership, firm, association, or corporation that operated a duly licensed warehouse for the sale of tobacco at public auction during the 1959-60 sales season shall, on submitting proof of such operation, be entitled to a permit for the floor space or selling capacity actually in bona fide use during such season if application for such permit is made on or before October 1, 1960.

Section 10. If any warehouse for which a permit has been issued, or any warehouse entitled to a permit under the provisions of Section 9, is damaged or destroyed by fire or other casualty, it may be repaired or rebuilt without any additional permit, but if the floor space or selling capacity is increased, a new permit for such increase must be obtained.

Section 11. (1) Any person aggrieved by any order of the Board of Agriculture in revoking, suspending or refusing a license or in forfeiting a weighman's bond, or by any order of the Tobacco Auction Warehouse Board in granting or refusing a permit, may appeal to the Franklin Circuit Court by filing a petition for review within thirty days after entry of the order appealed from.

(2) The Commissioner and all persons who appeared in the proceedings before such Board shall be made parties. The petititon shall state fully the grounds upon which review is sought and shall assign all errors relied on. The appellant shall furnish a copy of the petition to each adverse party. Summons shall be issued on the petition directing the appellees to answer within twenty days after service. Within thirty days after service of summons, the Commissioner shall file a copy of the evidence and proceedings before the Board, duly certified by him, the cost of such copy to be taxed as costs upon the appeal. In lieu of such record, an abstract thereof may be filed if agreed to by all parties to the appeal.

(3) No new or additional evidence may be introduced in the circuit court except as to fraud or misconduct affecting the order appealed from; and the court shall hear the case on the certified record or abstract thereof, its review being limited to determining whether or not the Board acted without or in excess of its power, the order was procured by fraud, the order is in conformity with the provisions of this Act, and the findings of fact in issue are supported by any substantial evidence.

(4) The court shall enter judgment confirming, modifying or setting aside the order, or remanding the case for further proceedings in conformity with the directions of the court. The final judgment of the circuit court may be appealed to the Court of Appeals in accordance with the rules of Civil Procedure.

Section 12. Subsection (9) of Section 248.990 of the Kentucky Revised Statutes is amended to read as follows:

(9) Any person who violates any of the provisions of KRS 248.410 or 248.420 shall be fined not less than five hundred dollars nor more than two thousand dollars for each offense.

Calendar

SB 260, SB 256, HB 373, HB 264, HB 229, HB 309, HB 383, HB 184, SB 252, SB 250, SB 251, SB 253, SB 257, HB 179, SB 255, SB 239 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Report on Enrolled Bills

Committee on Enrollment reported **HB 300, HB 17, HB 32, HB 260** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Orders of the Day

SB 238 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 238.** Agreed.

On the roll call, the vote was, Yeas 30—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 238** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 238** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 29, HB 127, HB 151, HB 250, HB 268, HB 330, HB 334, HB 358, HB 361, HB 370, HB 398, HB 407, HB 408, HB 413, HB 426, HB 431, HB 434, HB 439, HB 441, HB 445, HB 451, HB 455, HB 456, HB 340, HR 99, HR 100.**

HB 207 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 207.** Agreed.

On the roll call, the vote was, Yeas 22—Brand, Blue, Bonn, Byers, Conley, Mrs. J. Harry Davis, Duffy, Francis, Hamilton, Hehl, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Overbey, Richmond, Ware, White. Nays 6—Bassett, Bishop, Blake, Hickerson, C. S. Howard, D. W. Howard. **HB 207** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 207** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Young presiding.

SB 214, with Committee Amendment #1 attached thereto, taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the adoption of Committee Amendment #1. Agreed.

Said Committee Amendment #1 to **SB 214** is as follows:

Amend printed copy of **SB 214** on page 1, lines 3, 4 and 5, by deleting lines 3, 4 and 5, and substituting in lieu thereof and adding the following words and figures, to-wit:

Section 1.

"Revised Statutes shall within 30 days after the decision of the State Board of Education is made known in writing to the parties involved, have the right of appeal by petition to the Circuit Court of the County in which the school districts are involved, for review of the decision or ruling of the Board, the averse party and other parties to the original action being made respondents.

Section 2. The petititon shall state fully the grounds on which a review is sought, assign all errors relied on and verified by the petitioner, who shall furnish copies of the petition to the respondents at the time of filing it. Summons shall issue upon the petition directing the averse party to answer within 20 days after service thereof and ordering the Board to send its entire original record, properly bound, to the Clerk of the Circuit Court, after certifying that such record is its entire original record, which shall be filed by the Clerk of the Circuit Court and such record shall then become and be considered by the Circuit Court on the review.

Section 3. No new or additional evidence may be introduced in the Circuit Court except as to fraud or misconduct of some person engaged in the administration of Chapter KRS 160 and affecting the order or ruling, but the Court shall otherwise hear the cause upon the record as certified by the Board and shall dispose of the cause in summary manner.

Section 4. The court of review shall determine whether or not:

(a) The Board acted without or in excess of its powers;

(b) The order or decision was procured by a fraud;

(c) There is sufficient evidence to sustain the order or decision of the Board;

(d) The order or decision is not in conformity to the provisions of Chapter KRS 160;

(e) If findings of fact are in issue, whether such findings of fact support the decision or order.

Section 5. The Board and each party may appear in such review proceedings; the Court shall enter judgment affirming, modifying or setting aside the order or decision, or in its discretion remand the cause to the Board for further proceedings in conformity with the direction of the Court. The Court, may before judgment and upon a sufficient showing of fact, remand the cause to the Board.

Section 6. Appeals may be taken from the Circuit Court to the Court of Appeals in the same manner as common law cases are appealed."

Senator Overbey moved the Previous Question on **SB 214**, as amended. Agreed.

On the roll call, the vote was, Yeas 27—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 214** was passed and the title agreed to.

Senator Overbey moved that the vote by which **SB 214** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Martin moved suspension of the Rules for the purpose of introducing bills. Agreed.

Introduction of Bills

SB 276, by Senator Craft: AN ACT relating to boards of education.

SB 277, by Senator Duffy: AN ACT relating to utilities operated by cities.

HB 216, taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator D. W. Howard moved the adoption of Committee Amendment #1 to **HB 216.** Agreed.

Said Committee Amendment #1 to **HB 216** is as follows:

"Amend printed copy of **HB 216**, on page 2, section 4, lines 1 through 4, by striking Section 4 in its entirety and substituting in lieu thereof the following:

"Section 4. If a majority of the legal votes cast at such election in all of the cities, each city being a separate unit in the elections, proposing to merge or consolidate shall favor the merger or consolidation, then 30 days after the certification of the results of such election said cities shall become one city of the class of the largest of the old cities, but if a majority of the legal voters in either city vote "NO", the merger or consolidation shall fail."

Senator D. W. Howard moved the adoption of Committee Amendment #2 to **HB 216.** Agreed.

Said Committee Amendment #2 to **HB 216** is as follows:

"Amend printed copy of **HB 216** on page 2, Section 5, lines 1 through 5 by striking Section 5 in its entirety and substituting in lieu thereof the following:

"Section 5. The members of the legislative bodies of the merging cities shall continue to hold their offices in the new city, until their respective terms of office expire, and shall constitute a combined legislative body of the new city."

Senator D. W. Howard moved the Previous Question on **HB 216** as amended. Agreed.

On the roll call, the vote was, Yeas 27—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Ware, White, Young. Nays 0. **HB 216** was passed.

Senator Kidwell moved the adoption of Title Amendment to **HB 216.** Agreed.

Said Title Amendment to **HB 216** is as follows:

"Amend Title of **HB 216** to read and be known as the Davis-Lyon Act."

Senator D. W. Howard moved that the vote by which **HB 216** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 72 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 72.** Agreed.

On the roll call, the vote was, Yeas 26—Bassett, Bishop, Blake, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Richmond, Ware, White, Young. Nays 0. **SB 72** was passed and the title agreed to.

Senator Blue moved that the vote by which **SB 72** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 73 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 73**. Agreed.

On the roll call, the vote was, Yeas 22—Bassett Bishop, Blake Blue, Bonn, Byers, C. H. Davis, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Richmond, Ware, White, Young. Nays 0. **SB 73** was passed and the title agreed to.

Senator Blue moved that the vote by which **SB 73** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 74 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Blue moved the Previous Question on **SB 74**. Agreed.

On the roll call, the vote was, Yeas 23—Bassett, Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Richmond, Ware, Young. Nays 0. **SB 74** was passed and the title agreed to.

Senator Blue moved that the vote by which **SB 74** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 75 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Blue moved the Previous Question on **SB 75**. Agreed.

On the roll call, the vote was, Yeas 21—Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Duffy, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Logan, Martin, Melton, Richmond, Ware, Young. Nays 0. **SB 75** was passed and the title agreed to.

Senator Blue moved that the vote by which **SB 75** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 162 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 162**. Agreed.

On the roll call, the vote was, Yeas 24—Bassett, Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Richmond, Ware, Young. Nays 0. **HB 162** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 162** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 247 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Milton moved the Previous Question on **SB 247.** Agreed.

On the roll call, the vote was, Yeas 26—Bassett, Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kinkead, Logan, Martin, Melton, Richmond, Ware, White, Young. Nays 0. **SB 247** was passed and the title agreed to.

Senator Melton moved that the vote by which **SB 247** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 235 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 by Senator Blue, who moved the adoption. Agreed.

Said Amendment #1 to **SB 235** is as follows:

Amend printed copy of **SB 235** on page 6, section 5, following line 21, by inserting the following:

"(4) This section shall have no application to areas underlaid by coal bearing stratum."

and on page 7, section 9, line 19 by substituting a comma for period and adding the following words:

", and the coal is not under lease to any third party."

and on page 9, section 11, line 24 by substituting a comma for the period and adding thereafter the following words:

", provided that when the location of the well is known to be underlaid by coal bearing stratum, such plat shall be certified accurate and correct only by an engineer registered in Kentucky."

Senator Blue moved the Previous Question on **SB 235** as amended. Agreed.

On the roll call, the vote was, Yeas 26—Bassett, Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Richmond, Ware, White, Young. Nays 0. **SB 235** was passed and the title agreed to.

Senator Blue moved that the vote by which **SB 235** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 244 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Queston on **SB 244.** Agreed.

On the roll call, the vote was, Yeas 26—Bassett, Bishop, Blake, Blue, Bonn, Byers, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 244** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 244** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 207 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved that **SB 207** be laid on the Clerk's Desk.

HR 63 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Martin moved the Previous Question on **HR 63.** Agreed.

On the roll call, the vote was, Yeas 23—Bassett, Bishop, Blake, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Duffy, Garnett, Hamilton, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kinkead, Martin, Melton, Richmond, Ware, White Young. Nays 0. **HR 63** was passed and the title agreed to.

Senator Ware moved that the vote by which **HR 63** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Bishop moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

Introduction of Resolution

SR 54, by Senator Bishop: A CONCURRENT RESOLUTION requesting the Department of Fish and Wild Life Resources to construct a lake at Gray Hawk, Kentucky, on McCammon Creek.

Senator Bishop moved the adoption of **SR 54.** Agreed.

SR 54, A CONCURRENT RESOLUTION requestng the Department of Fish and Wild Life Resources to construct a lake at Gray Hawk, Kentucky, on McCammon Creek.

WHEREAS, there is a narrow gorge in the McCammon Creek that would be a suitable place to make a fill some seventy or eighty feet high creating a lake that would cover some one hundred acres, more or less, to be stocked with fish; and

WHEREAS, this land is owned by the Federal Government and is available for state use without cost; and

WHEREAS, previous surveys have been made and considered for a site for a 4-H Club Camp adjoining the lake site; and

WHEREAS, the Department of Fish and Wildlife have been consulted and a map has been run with some estimates of the cost and potentialities; and

WHEREAS, this site for a lake has previously been promised for some few years; and

WHEREAS, the lake site is only a short distance from Highway 421 and will be accessible to tourists;
NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky the House of Representatives concurring therein:

Section 1. That the Department of Fish and Wild Life Resources make the necessary checks and surveys to include a lake at Gray Hawk, Kentucky, on the McCammon Creek in their program of lake construction.

Section 2. That a copy of this resolution be sent to the Department of Fish and Wild Life Resources and a copy be sent to the Governor of the Commonwealth.

HB 232 taken from Orders of the Day and ordered read at length for the third tme. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **HB 232.** Agreed.

On the roll call, the vote was, Yeas 27—Bassett, Bishop, Blake, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Ovrebey, Richmond, Ware, White, Young. Nays 0. **HB 232** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 232** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 88 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator White moved the Previous Question on **SB 88.** Agreed.

On the roll call, the vote was, Yeas 27—Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 88** was passed and the title agreed to.

Senator White moved that the vote by which **SB 88** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 230 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 230.** Agreed.

On the roll call, the vote was, Yeas 22—Bishop, Blake, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, Melton, Richmond, Ware, Young. Nays 1. **SB 230** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 230** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 10. Agreed.

THURSDAY, MARCH 10, 1960

FIFTY-THIRD LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present except Senators Bonn, Byers, and Raney, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 9 dispensed with and the same approved on motion of Senator Ware.

Recess

Senator Ware moved that the Senate do now recess for one hour. Agreed. At the appointed hour, the President called the Senate to order.

Motions

Senator Bassett moved that the Senate do now adjourn until nine a. m., March 11 and postpone action on bills that are in Orders of the Day. Said motion lost on voice vote.

Senator Young moved that bills posted for passage by the Rules Committee be mimeographed for members' use. Agreed.

Introduction of Bills and Resolutions

SB 278, by Senator Blake: AN ACT changing the classification of the City of Paris, in Bourbon County.

SB 279, by Senator McCann: AN ACT relating to elevator safety.

SB 280, by Senator Ware: AN ACT relating to public library districts.

SB 281, by Senator Richmond: AN ACT relating to revenue and taxation.

SR 55, by Senator C. S. Howard: A JOINT RESOLUTION authorizing and directing the Legislative Research Commission to make a comprehensive study of the Kentucky Inheritance and Estate Tax Law, and to make recommendations based thereon.

SR 56, by Senator D. W. Howard: A CONCURRENT RESOLUTION relating to the duties of the Division of State Police and the Department of Highways.

Senator C. S. Howard moved the adoption of **SR 55.** Agreed.

SR 55, A JOINT RESOLUTION authorizing and directing the

Legislative Research Commission to make a comprehensive study of the Kentucky Inheritance and Estate Tax Law, and to make recommendations based upon this study to the General Assembly of the Commonwealth of Kentucky at the 1962 regular session.

WHEREAS, few changes have been made in the Inheritance and Estate Tax law since it was enacted; and

WHEREAS, new taxing laws have been enacted at later times;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission be and is authorized and directed to make a comprehensive study of the Kentucky Inheritance and Estate Tax law, including but not limited to the provisions of KRS Chapter 140 and the relationship of that chapter with other taxes imposed by Kentucky, other states, and the United States.

Section 2. That the Legislative Research Commission be and is directed to make recommendations based upon this study to the General Assembly of the Commonwealth of Kentucky at the 1962 regular session.

Senator D. W. Howard moved the adoption of **SR 56.** Agreed.

SR 56, THE CONCURRENT RESOLUTION relating to the duties of the Division of State Police and the Department of Highways.

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. In many areas of the state, automobile junk yard owners are contributing to the loss of life, limb and property by leaving junked vehicles on state right-of-ways.

Section 2. That the Department of Public Safety, through the Division of State Police, is earnestly requested to fulfill its duty to the people of the Commonwealth by a close inspection of all junk yards in the state and a prompt removal of the vehicles standing on state right-of-ways. The Department of Public Safety is further requested promptly to notify the Department of Highways and secure the latter's cooperation in removing these junked vehicles.

House Message

Announcing passage of **HB 177, HB 267, HB 287, HB 303, HB 335, HB 342, HB 344, HB 351, HB 357, HB 392, HB 429, HB 438, HB 442, HB 450, HB 464, HB 466, HB 469, HB 470, HB 471, HB 476, HB 481, HB 375, HR 32, HR 95, HR 106, HR 107, HR 108, SR 41, SR 47.**

Report of Committee

Rules Committee reported **HB 29, HB 124, HB 164, HB 245, HB 250, HB 276, HB 277, HB 285, HB 431, HB 439, HB 445, HB 456, SB 271, SB 272, SB 273, SB 274, HB 268, SB 276, SB 277, SB 269, SR 7,** by way of Committee Substitute, **SB 243, HB 413, HB 151, HB 271, HB 389, HB 441, SB 197, HB 330, SB 68, SB 226, SB 267** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 29, AN ACT relating to primary elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 119.040 of the Kentucky Revised Statutes is amended to read as follows:

The primary election for the nomination of candidates by political parties to be voted for at the next regular election shall be held on the first Saturday in June of each year between the hours of 6:00 a.m. and 5:00 p.m., at the regular polling place in each election precinct.

An emergency is reclared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 124, AN ACT concerning service of process on nonresident motorists and service of process on motorists resident in the state who after the happening of the accident become nonresident.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 188.020 of the Kentucky Revised Statutes is re-enacted to read as follows:

Any nonresident operator or owner of any motor vehicle who accepts the privilege extended by the laws of this state to nonresidents to operate motor vehicles or have them operated within state shall, by such acceptance and by the operation of such motor vehicle within this state, make the Secretary of State the agent of himself or his personal representative for the service of process in any civil action instituted in the courts of this state against the operator or owner, or the personal representative of the operator or owner, arising out of or by reason of any accident or collision or damage occurring within this state in which the motor vehicle is involved.

Section 2. Section 188.070 of the Kentucky Revised Statutes is re-enacted to read as follows:

The provisions of KRS 188.010 to 188.060 shall apply to any operator or owner of any motor vehicle who is a resident of this state at the time any accident or collision or damage occurs and who thereafter becomes a nonresident.

HB 164, AN ACT relating to the establishment, operation and regulation of independent business schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Independent business school", "business school" or "School" means an educational institution privately owned and operated by an individual, partnership, association or corporation offering business courses through residence, extension or correspondence for which tuition is charged in such subjects as typewriting, shorthand (manual or machine), filing and indexing, receptionist's duties, key-punch, teletype, penmanship, bookkeeping, accounting, office machines, business arithmetic, English, business letter writing, salesmanship, personality development, leadership training, real estate, insurance, traffic management, business psychology, economics, business management, charm and modeling and air line training or any of these subjects and other related subjects of a similar character.

(2) "Board" means State Board of Business Schools.

(3) "Agent" means any person employed by a school as defined herein to act as agent, solicitor, broker or independent contractor to procure students for such school by solicitation of enrollment in any form made at any place other than the main office or principal place of business of the school.

(4) "Superintendent" means Superintendent of Public Instruction.

(5) "Person," as that term is used to apply to the operator of an independent business school, means individual, partnership, association or corporation.

Section 2. This Act shall not apply to any school offering a four year college course recognized by the State Department of Education nor shall it apply to any religious and non-profit independent business school exempt from taxation under the laws of this State (or which is subject to the provisions of KRS 156.160).

Section 3. (1) No individual, partnership, association or corporation shall conduct, operate, maintain or establish an independent business school or use the term "independent business school", "business college," or any words which designate or tend to designate to the public that the operator of such institution is qualified to conduct, operate and maintan an independent business school unless he hold a valid current license from the Board.

(2) No person shall solicit in person or by the use of any means of communication or advertising, including, but not limited to,

telephone, telegraph, newspapers, periodicals, handbill, circulars, mail, radio and television, any person or group of persons in this State to enroll at or attend any independent business school, unless such person holds a valid license as agent of the school for which he is soliciting.

Section 4. (1) There is hereby established a State Board of Business Schools which shall consist of the Superintendent of Public Instruction and six persons to be appointed by the governor. Four members of the Board shall be persons who, for at least five years next preceding the date of their appointment, shall have occupied executive or managerial positions with an independent business school in Kentucky. These four appointments shall be made from a list of three names for each position submitted by the Kentucky Association of Independent Business Colleges. Two members of the Board shall be persons occupied in commerce or industry in Kentucky.

(2) The terms of office of the four members of the Board first appointed from executive or managerial personnel of independent business schools shall be for one, two, three and four years respectively and the terms of office of the two members of the Board first appointed from commerce or industry shall be for three and four years respectively. Upon expiration of each of the respective terms of the members first appointed, the term of each successor shall be four years or until his successor shall be appointed and qualified.

(3) The Superintendent of Public Instruction shall serve as President of the Board ex officio and the members of the Board shall elect one of their number as Secretary. The Board is authorized to fix the compensation of the Secretary and to employ and fix the compensation of all personnel required by it for the administration of the provisions of this Act. The Board shall have the power to make all rules and regulations not inconsistent with the provisions of this Act as may be necessary to implement and carry out the provisions and purposes of this Act.

(4) The Board shall hold meetings at least twice a year and as frequently as it deems necessary at such times and places as the Board may designate and the majority of the members shall constitute a quorum.

(5) The Board may sue and be sued in its own name.

(6) The members of the Board, except the Secretary, shall receive no compensation for their services but may be paid their travel and other expenses while employed upon the business of the Board.

Section 5. (1) The State Board of Business Schools shall administer the provisions of law pertaining to the conduct, operation, maintaining or establishment of independent business schools, and the activities of agents thereof when acting as such.

(2) The Board may adopt rules and regulations to implement and carry out these provisions.

Section 6. (1) Any person seeking a license to conduct, operate, maintain or establish an independent business school shall make verified application to the Board on forms prepared and furnished by the Board setting forth the following information:

(a) The title or name of the school, together with the names of the owner or owners, and if the owner be a corporation the names and addresses of the officers thereof;

(b) The specific courses and fields of instruction which will be offered;

(c) The place or places where such instruction will be given and a description of the physical and sanitary facilities thereof;

(d) A specific listing of the equipment available for instruction in each course;

(e) The education and teaching qualifications of the instructors and supervisors.

(2) Each initial application for a license shall be accompanied by a filing fee of $50.00, no part of which shall be refunded if a license is denied or if the application is withdrawn.

(3) Upon receipt of an application for a license accompanied by the fee, the Board, or any of the members thereof, shall conduct such independent investigation as it or they deem reasonable and necessary and upon completion of such investigation to the satisfaction of the members of the Board, the license shall be granted or denied as the Board in its discretion determines.

(4) Any person seeking a license to act as agent for an independent business school shall make verified application to the Board on forms prepared and furnished by the Board setting forth the following information:

(a) The name and permanent address of the applicant, together with his date of birth and the name of the school for which an agent's license is sought;

(b) A verified statement setting out evidence of the honesty, truthfulness and integrity of the applicant;

(c) The verified recommendation of two reputable persons certifying that the applicant is truthful, honest and of good repute and that a license as agent should be granted him.

(5) Each initial application for an agent's license shall be accompanied by a filing fee of $25.00, no part of which shall be refunded if a license is denied or if the application is withdrawn.

(6) Upon receipt of an application for an agent's license and payment of the fee prescribed, the Board, or any of the members thereof, may conduct independent investigation as it or they deem

reasonable and necessary, and upon completion of such investigation, if any be made, the license shall be granted or denied as the Board in its discretion determines.

(7) Every agent shall obtain a separate license for each school which he represents as agent, provided, however, the filing fee for each license applied for after the first shall be $10.00.

(8) Nothing in this section of this Act shall be construed to require a bona fide employe or officer of a licensed independent business school to hold an agent's license if such bona fide employe or officer accepts applications and enrollments at the main office or principal place of business of the independent business school.

Section 7. The board shall maintain a listing of the name and address of every person licensed under this Act and shall publish such listing at least once a year by mailing such listing to each independent business college licensed hereunder. Changes in the listing may be published in the same manner at such times as the Board in its discretion may determine.

Section 8. (1) Every license issued for the operation of an independent business school shall expire on September 30th following the date of issuance unless sooner revoked and cancelled.

(2) Between Agust 15 and September 1 of each year the Board shall send notices to all licensed independent business schools in this State advising them that the annual license renewal fee is due on October 1 of each year. Every licensed independent business school shall renew its license between September 1 and October 1 of each year by the payment to the Board an annual license renewal fee of $25.00. If such renewal fee is not paid on or before October 1 the Board shall notify the delinquent licensee by certified mail that such fee is due and unpaid and that a delinquent penalty of $50.00 is assessed in addtion to the renewal fee of $25.00 and must be paid on or before January 1. If such fees and penalties are not paid by January 1 it shall be the duty of the Board to suspend or revoke said license for non-payment of annual renewal and delinquent fees for the current year.

(3) Every license issued to an agent shall expire on September 30th following the date of issuance unless sooner revoked or cancelled.

(4) Between August 15 and September 1 of each year the Board shall send notices to all licensed agents advising them that the annual license renewal fee is due on October 1 of each year. Every licensed agent shall renew his license between September 1 and October 1 of each year by the payment to the Board of an annual license renewal fee of $5.00 for each license held. If such renewal fee or fees are not paid on or before October 1, the Board shall notify the delinquent licensee by registered mail that such fee or fees are due and unpaid and that a delinquent penalty of $10.00 for each license held is assessed

in addition to the renewal fee of $5.00 and must be paid on or before January 1. If such fees and penalties are not paid by January 1, it shall be the duty of the Board to revoke said license or licenses for non-payment of annual renewal and delinquent fees for the current year.

(5) All fees collected under the provisions of this Act or the rules and regulations adopted pursuant thereto shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the cost and expenses of the administration of this Act, including, but not limited to, salaries and necessary expenses. No part of this fund shall revert to the general funds of the Commonwealth.

Section 9. (1) The Board may refuse to license or renew the license or may suspend or revoke the license of any independent business school on proof that the individual holder thereof has been convicted of a felony, or has been guilty of moral turpitude or conduct likely to deceive or defraud the public, or that the holder thereof:

(a) has employed, hired, procured or induced an unlicensed person to act as agent for said independent business school;

(b) has been granted a license upon mistake of a material fact;

(c) has furnished false, misleading or incomplete information to the Board;

(d) has presented information to prospective students relating to the school or to employment opportunities after entering into or completing courses offered by the school which is false, misleading or fraudulent;

(e) has failed to provide and maintain premises or equipment in a safe and sanitary condition to such an extent that such failure constitutes a violation of law;

(f) has failed to maintain financial resources adequate for the satisfactory conduct of the courses of instruction offered;

(g) has failed to retain a sufficient and qualified staff of instructors and administrative personnel;

(h) has conducted instruction in a course or field not approved by the Board for that particular school.

(2) The Board may refuse to license or renew the license or may suspend or revoke the license of any agent on proof that the individual holder thereof:

(a) has been convicted of a felony, or has been guilty of moral turpitude or conduct likely to deceive or defraud the public;

(b) has employed, hired, procured, or induced an unlicensed person to act as agent for said independent business school;

(c) has been granted a license upon mistake of a material fact;

(d) has furnished false, misleading or incomplete information to the Board;

(e) has presented information to prospective students relating to the school or to employment opportunities after entering into or completing courses offered by the school which is false, misleading or fraudulent.

Section 10. (1) The Board may suspend or revoke a license or may refuse to renew a license only after a hearing of which the holder of the license has been given adequate notice, by mailing a copy of the notice registered mail at least 20 days prior to the hearing. At the hearing, the Board and the holder of the license shall have the benefit of counsel.

(2) The Board may administer oaths, take depositions of witnesses as in civil cases and compel them to attend before it in person as in civil cases by subpoena issued in the name of the Commonwealth and over the signature of the President of the Board.

(3) Proceedings for the suspension or revocation of a license may be instituted by any individual or organization filing a verified complaint with the Secretary of the Board or such proceedings may be instituted by the Board acting upon its own initiative or by the President or Secretary of the Board acting on behalf of the Board.

(4) The Board may institute in its own name proceedings to restrain and enjoin temporarily or permanently violations of this Act regardless of whether the defendant has been convicted for violations of the penal provisions thereof, and the Board shall not be required to pay any costs or filing fees or furnish any bond in connection therewith.

(5) Hearings held by the Board under subsection (1) of this section shall be held in the county where the holder of the license lives or operates an independent business school.

Section 11. (1) County and Commonwealth's Attorneys and the Attorney General within their respective jurisdictions shall prosecute all violations of the penal provisions of this Act and shall, when requested by the Board, represent the Board in matters relating to the enforcement of this Act.

(2) A licensee whose license has been revoked or suspended by the Board or who has been refused a renewal license may, within 30 days of the entry of the order, appeal to the circuit court of the county in which the hearing was held. The person taking the appeal shall serve upon the Board, by mailing registered mail, a written notice of appeal and shall file with the Board an appeal bond with good and sufficient surety to be approved by the Secretary of the Board conditioned for speedy prosecution of the appeal and the payment of any costs charged against him upon the appeal. The Board,

within ten days after the service of notice of appeal and the filing and approval of the bond, shall transmit to the clerk of the court a certified copy under the seal of the Board of the evidence upon which the ruling of the Board was based. The clerk shall then docket the case and it shall be tried in all respects like an ordinary civil action. Either party may appeal from the judgment of the circuit court to the Court of Appeals as in a civil action. The order appealed from shall be stayed from the date of the approval of the bond until the final determination of the appeal.

Section 12 (1) Any person who violates the provisions of subsection (1) of Section 3 of this Act shall be fined not less than $100.00 nor more than $5,000.00 and each day the violation continues shall constitute a separate offense.

(2) Each first violation of subsection (2) of Section (3) of this Act shall be punishable by fine of not less than $50.00 nor more than $1,000.00 or by imprisonment for not less than one month nor more than twelve months, or both fine and imprisonment. Each subsequent violation of subsection (2) of Section 3 shall be punishable by a fine of not less than $100.00 nor more than $5,000.00 and imprisonment for not less than three months nor more than twelve months, or both fine and imprisonment.

HB 245, AN ACT relating to business authorized by Brewer and Distributor of malt beverages:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 243.150 of the Kentucky Revised Statutes is amended to read as follows:

A brewer's license shall authorize the licensee to engage in the business of a brewer at the premises specifically designated in the license, and to transport for himself only any malt beverage which he is authorized by his license to manufacture or sell, but he shall transport such malt beverages in accordance with the requirements provided by KRS 243.120 for distillers. A brewer may sell any malt beverage produced under his license, to a licensed wholesaler or to a licensed retailer from the licensed premises; provided, however, said brewers may sell malt beverages to any of its employees for home consumption.

Section 2. Section 243.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) A distributor's license shall authorize the licensee to purchase, import or store malt beverage and to sell them only, from the licensed premises, to other distributors or to licensed retailers. A distributor shall transport malt beverages only by a vehicle owned,

rented or leased and operated by himself, which has affixed to its sides at all times a sign of form and size prescribed by the state board, containing among other things the name and license number of the licensee. No distilled spirits or wine shall be transported on the same truck or vehicle with malt beverages, except by a common carrier.

(2) A distributor's license must be obtained for each separate warehouse, agent, distributor, broker, jobber or place of business from which orders are received or beverages are distributed unless it is a licensed brewery.

HB 250, AN ACT relating to advertising and other informational devices along or adjacent to public roads and highways.

WHEREAS, interstate highways, limited-access highways and turnpikes are designed and controlled for maximum safety and maximum efficiency in the movement of arterial traffic, and by and by reason of the high speed limits permitted on such highways to facilitate the movement of traffic all distracting influences or devices intended to divert attention of motorists constitute hazards contrary to the interests of public safety; and

WHEREAS, in the location, design and construction of such highways consideration is given to preservation and enhancement of natural scenic beauty and aesthetic values, at a substantial expenditure of public funds, and it is in the public interest that the values accruing to the public from such investment of public funds be preserved and protected; and

WHEREAS, for the reasons stated, public policy dictates that advertising devices be prohibited along or adjacent to such highways, but to avoid undue hardships it is desirable that a reasonable opportunity be afforded for realization of existing private investments; and

WHEREAS, the General Assembly has found that the greatest portion of the value of billboards and other highway advertising devices is not in the cost of the materials of the structure but rather is in an intangible value based upon the real and potential numbers of highway travelers who will view the advertising devices; and

WHEREAS, such value is created by the public funds of the Commonwealth in constructing and maintaining the highways, and exists only by reason of the highways; and

WHEREAS, the General Assembly has found that a period of five years is a reasonable maximum period for realization of investments in existing advertising devices, considering the factors hereinabove mentioned;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires otherwise:

(1) "Limited-access highway" means a road or highway or bridge constructed pursuant to the provisions of KRS 177.220 through 177.310.

(2) "Interstate highway" means any highway, road, street, access facility, bridge or overpass which is designated as a portion of the National System of Interstate and Defense Highways as may be established by law, or as may be so designated by the Department of Highways in the joint construction of the system by the Department of Highways and the United States Department of Commerce, bureau of Public Roads.

(3) "Turnpike" means any road or highway or appurtenant facility constructed pursuant to the provisions of KRS 177.390 through 177.570, or pursuant to the provisions of any other definition of "turnpike" in the Kentucky Revised Statutes, or any other highway, road, parkway, bridge or street upon which a toll or fee is charged for the use of motor vehicular traffic.

(4) "Advertising device" includes any billboard, sign, notice, poster, display or other device intended to attract the attention of operators of motor vehicles on the highways, and shall include a structure erected or used in connection with the display of any such device and all lighting or other attachments used in connection therewith. However, it does not include directional or other official signs or signals erected by the state or other public agency having jurisdiction.

Sec. 2. (1) Except as provided in subsection (2) of this section and as otherwise provided in this Act, the erection or maintenance of any advertising device upon or within six hundred and sixty feet of the right of way of any interstate highway, limited-access highway or turnpike is prohibited.

(2) Any advertising device in existence on March 1, 1960, within six hundred and sixty feet of the right of way of any interstate highway, limited-access highway or turnpike may continue to be maintained for a period of five years after that date, but may not be replaced or relocated.

Sec. 3. The general purposes of this Act and its specific objectives and standards are:

(1) To provide for maximum visibility along interstate highways, limited-access highways, and turnpikes, and connecting roads or highways;

(2) To prevent unreasonable distraction of operators of motor vehicles;

(3) To prevent confusion with regard to traffic lights, signs or signals or otherwise interfere with the effectiveness of traffic regulations;

(4) To preserve and enhance the natural scenic beauty or the aesthetic features of the aforementioned interstate highways, limited-access highways and turnpikes, and adjacent areas;

(5) To promote maximum safety, comfort and well-being of the users of the said highways.

Sec. 4. The Commissioner of Highways shall prescribe by regulations reasonable standards for the advertising devices hereinafter enumerated, designed to protect the safety of the users of the highways and otherwise to achieve the objectives set forth in Section 3 of this Act, and the erection and maintenance of any of the following advertising devices, if they comply with such regulations, shall not be deemed a violation of this Act:

(1) An advertising device which is to be erected or maintained on property for the purpose of setting forth or indicating

(a) The name and address of the owner, lessee or occupant of such property, or

(b) The name or type of business or profession conducted on such property, or

(c) Information required or authorized by law to be posted or displayed thereon.

(2) An advertising device which is not visible from any traveled portion of the highway;

(3) An advertising device indicating the sale or leasing of the property upon which it is placed.

Sec. 5. Any advertising device erected, maintained, replaced, relocated, repaired or restored in violation of this Act is hereby declared to be, and is, a public nuisance and such device may without notice be abated and removed by any officer or employe of the State Department of Highways or upon request of the Commissioner by any peace officer.

Sec. 6. Nothing in this Act shall be construed to abrogate or affect the provisions of any municipal ordinance, regulation or resolution which are more restrictive concerning advertising devices than the provisions of this Act or of the regulations adopted hereunder.

Sec. 7. The Commissoner of Highways is hereby authorized to enter into agreements with the United States Secretary of Commerce for the purpose of carrying out the national policy of promoting the safety, convenience and enjoyment of public travel and the free flow of interstate commerce and the protection of the public investment in the National System of Interstate and Defense Highways within the Commonwealth.

Sec. 8. Any person who willfully violates any of the provisions of this Act shall, in addition to any other penalty herein provided, be fined not less than one hundred dollars nor more than five hundred dollars.

HB 276, AN ACT relating to agreements with agencies of other states.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 12.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Governor is charged with the conduct of the relations of the Commonwealth with other states and governments. He is empowered to approve agreements between departments or agencies of the Commonwealth, and departments or agencies of other states and governments, for the accomplishment of purposes which are authorized by law to be accomplished in this state by the department or agency entering into the agreement.

(2) No agreement authorized by this section shall involve the expenditure of more than $12,000 in any one year by any one department or agency, except in the case of repairs to interstate bridges. Any such expenditure shall be made from funds already budgeted to the department or agency. Nothing in this section shall be construed to limit rights and powers conferred on any department or agency by existing statutes, or by statutes enacted during the 1950 Session of the General Assembly. (1950, c. 213)

HB 277, AN ACT authorizing the University of Kentucky, Eastern Kentucky State College, Kentucky State College, Morehead State College, Murray State College and Western Kentucky State College to accept federal aid whenever the Federal Government or any agency thereof shall offer such aid.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any of the state colleges or the University of Kentucky or the state on behalf of any of the colleges or the university may accept federal aid in the form of services, equipment, supplies, materials or funds by way of gift, grant or loan for the purpose of higher education including student loans. Any of the state colleges or the university acting through its president or its governing board is hereby authorized to receive such services, equipment, supplies, materials and funds as are now available or may be made available.

The colleges and the university are hereby authorized to use funds appropriated to them in the current fiscal year in carrying out the matching provisions required by federal programs, loans or grants.

Section 2. Whereas certain services, equipment, supplies, materials and funds are available from the Federal Government or its agencies at this time and the state colleges and university desire to receive such services, equipment, supplies, materials and funds in the current year, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 285, AN ACT relating to the education of children whose father is a permanently and totally disabled war veteran.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any minor child whose father is a permanently and totally disabled war veteran shall not be required to pay any matriculation or tuition fee upon his admission to any state supported institution of higher education.

Section 2. To be entitled to benefits under this Act the father of the child claiming benefits must be rated permanently and totally disabled for pension purposes or one hundred percent disabled for compensation purposes by the United States Veterans Administration of the Department of Defense.

Section 3. In the absence of certification of permanent and total disability by the United States Veterans Administration or the Department of Defense, medical evidence showing permanent and total disability may be accepted, if this evidence is signed by a physician licensed to practice in the Commonwealth of Kentucky or an official of an accredited medical hospital in the Commonwealth of Kentucky.

Section 4. The parent-child relationship must be shown by birth certificate, legal adoption papers or other documentary evidence.

Section 5. To entitle a child or children to benefits under this Act the disabled war veteran must have served during time of war or the Korean Conflict in the Armed Forces of the United States, and his discharge therefrom must have been under honorable conditions. He must be a resident of the Commonwealth of Kentucky, and his residency must have been for a period of not less than five years immediately preceding the effecive date of this Act.

Section 6. Any person or persons making fraudulent statements to obtain benefits under this Act shall be imprisoned in the penitentiary for one year or fined one thousand dollars, or both.

HB 431, AN ACT relating to airports.

WHEREAS, it is deemed essential that a satisfactory method of financing be provided for the acquisition, construction and improvement of airports and airport facilities throughout the State of Kentucky.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Commission" means the State of Kentucky Airport Development Commission created herein.

(2) "Airport project" includes the construction, re-construction and structural maintenance of airport buildings, sites, the installation of runways, utility services, the purchase and installation of equipment, and facilities and furnishings of a permanent nature for airports. It shall also be deemed to mean a public project as defined in KRS Chapter 58.

(3) "Bonds," or the words, "Commonwealth of Kentucky Airport Development First Mortgage Revenue Bonds," shall mean airport development first mortgage revenue bonds of the Commonwealth of Kentucky issued in accordance with the provisions of this Act.

(4) "Agency" means any city or county of the Commonwealth of Kentucky, acting individually, or jointly with another city or county, through its governmental body.

(5) "Sinking Fund" means a fund to be set aside and held separate and apart from all other funds of the State or of the Commission, into which all of the income and revenues of an airport project, including rents, royalties, fees and proceeds of sale of airport property, are to be deposited and earmarked to meet the principal and interest requirements on any bonds issued under this Act.

(6) "Sinking Fund Reserve" means a fund to be set aside and held separate and apart from all other funds of the State or of the Commission, to be held as a reserve against any default in principal or interest payments on such bonds, and to be earmarked, to the extent not otherwise used, to payment of requirements on such bonds during the latest years of maturity thereof, as may be specified in the instruments provided for in this Act.

(7) "Cost" means the cost of acquiring such airport projects, any advertising expenses in connection therewith, the cost of construction, fees of Architects and Engineers, the cost of builders' risk insurance and liability insurance of the type customarily carried by owners or builders, the cost of preparing, issuing, selling or exchanging first mortgage revenue bonds as provided for in this Act, any capitalized interest expense during an initial period of not exceeding three years,

to any extent needed during a period necessary to complete the construction of any airport project, a Sinking Fund Reserve, and shall further embrace and include all expenses, including legal fees, in connection therewith.

Section 2. (1) There is hereby created, as an independent agency of the State within the meaning of Chapter 12 of the Kentucky Revised Statutes, a State of Kentucky Airport Development Commission, composed of the Commisioner of Aeronautics, who shall be Chairman thereof, the Governor, the Commissioner of Finance and the Attorney General.

(2) No member of the Commission shall receive any salary, fee or other remuneration for his services as a member of the Commission, but each member shall be entitled to be reimbursed for his ordinary travelling expenses, including meals and lodging, incurred in the performances of his duties.

Section 3. The Commission shall have the power and duty:

(1) To determine the comparative needs and demands for airport facilities by various cities and counties in the state.

(2) To expend the capital outlay appropriation made available to it by the Commonwealth of Kentucky, for the purpose of acquiring real estate for building projects for airport purposes, and for matching Federal funds as same may be available under any Federal law now existing or hereafter enacted, for the purchase, construction, improvement or repairing of airports and airport facilities.

(3) To purchase, lease (with or without option to renew), rent, pledge the revenues of, or mortgage such real estate as the Commission may find to be necessary for use for airport purposes, upon such terms and conditions and for such consideration as may appear to the Commission to be fair and reasonable.

(4) To issue and sell its first mortgage revenue bonds in order to carry out any of the foregoing.

Section 4. For the purpose of defraying the cost of any airport project or projects, the Commission may accept gifts from any source and may borrow money from any agency of the Federal Government, or it may issue and sell its first mortgage revenue bonds, after adopting a resolution specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear, not exceeding six per cent (6%) per annum. Such bonds issued by the Commission can be issued, sold or exchanged as provided for in this Act, or as provided in KRS Chapters 56 and/or 58, or by other laws.

Section 5. Whenever any agency shall request the Commission to finance an airport project under this Act, such agency and the Commission may then proceed to acquire such project as follows:

(1) The parties shall arrange for the purchase of a satisfactory site, agreeable to both parties, by the Commission.

(2) The parties shall enter into an agreement to be known as a "Contract, Lease and Option," which shall provide, aliunde, the following:

(a) The Commission shall issue its bonds to finance the project, which bonds shall be secured by a mortgage lien against the project and by an assignment of all rentals and revenues therefrom.

(b) The Commission shall lease such project to the agency for a term of not exceeding one year from the estimated date of completion of the project, with the agency (or any of two or more co-tenant agencies) having the exclusive right and option to extend the term of the lease from year to year, for periods of one year at a time, for an agreed period, not exceeding thirty years.

(c) The rentals prescribed therein for the original term and for each of the full number of years for which the lease may be extended shall be not less than the amounts required in each of such years to amortize the total cost of the project, as evidenced by the amount fo bonds issued to defray the cost thereof, and may include, in any specified years, such additional amounts as the parties may deem advisable to create or supplement any special funds.

(d) The agency shall agree, in each effectve year of the lease, to maintain, operate and insure the project.

(e) Whenever the Commission has been paid sufficient funds, or has sufficient funds on hand, to retire or redeem all of the bonds issued to finance such project, through rentals payments by the agency, or whenever all of such bonds have been retired or redeemed by any lawful method, the Commission shall convey and transfer to the agency an unencumbered title to such project, and shall transfer to the agency any balances then remaining in the Sinking Fund, in the Sinking Fund Reserve, and in any other funds maintained in connection with the project.

(f) That in the event of failure by the agency to renew the lease or failure to pay any of the rentals prescribed therein, said Contract, Lease and Option shall be immediately terminated, and all rights of the agency thereunder and to the airport project shall be terminated and forfeited to the Commission, subject to the provisions of Section 9 (2) hereof.

(g) Any other reasonable provisions and stipulations deemed necessary and desirable.

(3) The Commission shall enter into an agreement, to be known as a Mortgage Deed of Trust, with a Trustee, which shall be a Kentucky bank, having trust powers, which is insured by the Federal Deposit Insurance Corporation, which instrument shall provide, aliunde, as follows:

(a) That bonds shall be issued to finance the project.

(b) The date, maturities (not exceeding thirty years), prior redemption provisions, if any, form of the bonds and terms and conditions of the public sale of the bonds.

(c) The security for the bonds, which shall include the following:

(1) A first mortgage lien against the airport project.

(2) A pledge of the revenues of the project, to be set aside and pledged into the Sinking Fund, and the Sinking Fund Reserve, as special funds, to be deposited with the Trustee, and used to meet the principal and interest requirements of the bonds as may be designated in such instrument.

(3) An assignment to the Trustee for the benefit of the bondholders, of all rentals payable to the Commission under the Contract, Lease and Option.

(d) The rights of bondholders in the event of default, which rights may include the appointment of a Receiver, with powers similar to those set out in KRS 58.060, and may include the rights generally of holders of real estate mortgages under the laws of the State of Kentucky.

Section 6. All bonds issued under the provisions of this Act shall have the equalities of negotiable instruments, and shall not be subject to taxation. If any of the officers whose signatures appear on the bonds or coupons cease to be such officers before delivery of the bonds, the signatures shall nevertheless be valid for all purposes the same as if the officers had remained in office until delivery. The bonds shall be payable solely from the revenues or proceeds derived from the project, and shall not constitute an indebtedness of the Commission or of any of the agencies executing any of such leases, within the meaning of any constitutional provisions or limitations; and it shall be so stated on the face of each bond. The bonds shall be signed by the Commissioner of Aeronautics and countersigned by the Commissioner of Finance, the coupons appertaining thereto shall bear the facsimile signature of the Commissioner of Aeronautics.

Section 7. Any appropriations by the Legislature for airport project purposes may be applied directly toward the cost of such airport projects, may be deposited by the Commission in the Sinking Fund Reserve, or may be applied to redeem bonds in advance of maturity in accordance with the bond proceedings. All money received from the proceeds of any bonds issued under this Act shall be used solely in payment of the cost of such airport project as defined in this Act.

Section 8. If the Commission shall create a Sinking Fund Reserve, as defined in this Act, out of the proceeds of the sale of any bonds, such Reserve, including such additional amounts as may be deposited therein from other sources, shall be maintained by the Commission separate and apart from all other funds of the Commission, except that sums shall be transferred therefrom to the Sinking Fund if and to any extent required at any time to prevent default in the payment of principal or interest on any of said bonds, or whenever the total amount on deposit in said Reserve Fund is sufficient to retire or redeem all of the principal and interest requirements on the outstanding bonds, but no transfer or withdrawal shall be made for any other purpose. It may be provided that in the event of any withdrawals from the Sinking Fund Reserve, any deficiency in the amount agreed to be maintained therein shall be restored by the Commission as soon as revenues are sufficiently available to enabel it to do so. Such Sinking Fund Reserve may be invested in obligations of the United States Government having maturities not in excess of five years, or may be invested or deposited in accounts insured by the United States Government, until needed, as the Commission may determine.

Section 9. (1) The Commission may issue a separate bond issue to finance the cost of an airport project for any individual agency, may finance the cost of airport projects for two or more agencies, by one or more bond issues, may finance the cost of a single airport project for two or more agencies by one or more bond issues, with such two or more agencies being co-tenants on any Contract, Lease and Option of the type herein provided, and the Commission may receive and act on bids for more than one bond issue at the same time.

(2) Separate records shall be maintained by the Commission with reference to rentals payable by any two or more agencies, either with reference to a single airport project or with reference to two or more projects, provided that a failure by any individual agency to renew a lease, or participate in the renewal of a lease, of the type prescribed in this Act, or to pay a rental, or to pay its share of a rental, for any effective period thereof, shall not have the effect of terminating other leases of other airport projects of other agencies which have not failed to renew their leases or to pay the prescribed rentals thereunder, and rights of bondholders prescribed in Section 5 (f) are subject to the foregoing.

(3) In the event of failure by one of two or more co-tenant agencies, on a single joint lease with reference to a single airport project, to renew such lease or to pay the rental prescribed thereunder, the rights of such party thereunder shall be terminated, and the joint lease of the co-tenants will be terminated, provided, however, that the other co-tenant or co-tenants under such lease shall have the option to renew, to pay the full rentals prescribed therein, and to assume all of the rights and obligations of the co-tenants under said lease, including the ultimate right to acquire title to the project.

(4) Upon termination or cancellation of the lease of any airport project, the Commission shall immediately cause such project to pro-

duce revenues or proceeds from other sources, and shall apply any amounts in the Sinking Fund and in the Sinking Fund Reserve, to prevent any of the bonds from being in default.

Section 10. The Commission may cooperate with any agency in the issuance of one or more separate bond issues to finance extensions, additions or improvements to any individual airport project from time to time, subject, of course, to the provisions of the Mortgage Deed of Trust authorizng any outstanding bonds.

Section 11. Any holder of the bonds, or any of the coupons, may, either at law or in equity, protect and enforce the lien, and may by action enforce and compel the performance of all duties provided in this Act.

Section 12. The Commission may issue refunding bonds for the purpose of providing funds for the payment of any outstanding bonds, in accordance with the procedure prescribed for the issuance of the original bonds. The refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds which are refunded.

Section 13. The provisions of this Act are additional and alternate methods for the financing of airport projects and do not include, alter, amend or repeal any other statute. No proceedings shall be required for the acquisition of any airport project, or the issuance of bonds under this Act, except as are prescribed by this Act.

Section 14. If any section, paragraph, sentence or clause of this Act is invalid, the invalidity thereof shall not affect the validity of the remaining sections, paragraphs, clauses and sentences hereof.

HB 439, AN ACT providing for reorganizing and simplifying certain departments of State Government, for the purpose of better service and economy; providing for the departments and the independent agencies therein specified; assigning and redistributing among them the powers and duties of existing offices, departments, boards, commissions, institutions and other agencies; abolishing certain offices, departments, boards, commissions, institutions, and other agencies; transferring certain others; creating others; defining the organization, powers and duties of offices, departments, boards, commissions and other agencies that are hereby created or retained and providing for their coordination; fixing methods of appointments and election to office, terms of office and salaries, and defining duties of, qualifications for, and methods, of removal from, offices and positions; fixing certain fees; repealing all laws and parts of laws in conflict with the provisions of the Act; appropriating funds for carrying out the purposes of this Act; and declaring an emergency to exist.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

ARTICLE I. ADMINISTRATIVE DEPARTMENTS

Section 12.020 of the Kentucky Revised Statutes is amended to read as follows:

Except as otherwise provided by law, the functions of the state are divided among the constitutional administrative departments, statutory adminstrative departments and independent agencies as follows:

I. Constitutional Administrative Departments:
  1. The Governor.
  2. Department of State.
  3. Department of Law.
  4. Department of Treasury.
  5. Department of Agriculture, Labor and Statistics.
  6. Department of Education.
  7. Department of Military Affairs.

II. Statutory Administrative Departments:
  1. Department of Finance.
  2. Department of Personnel.
  3. Department of Revenue.
  4. Department of Highways.
  5. Department of Welfare.
  6. Department of Health.
  7. Department of Mental Health.
  8. Department of Industrial Relations.
  9. Department of Mines and Minerals.
  10. Department of Aeronautics.
  11. Department of Banking.
  12. Department of Fish and Wildlife Resources.
  13. Department of Alcoholic Beverage Control.
  14. Department of Conservation.
  15. Department of Public Relations.
  16. Department of Economic Development.
  17. Department of Economic Security.
  18. Department of Motor Transportation.
  19. Department of Insurance.
  20. Department of Public Safety.
  21. Department of Child Welfare.
  22. Department of Parks.

III. Independent Agencies:
  1. Auditor of Public Accounts.
  2. Board of Election Commissioners.
  3. Board of Registration and Purgation.
  4. Railroad Commission.
  5. State Racing Commission.
  6. Public Service Commission.

7. County Debt Commission.
8. State Property and Buildings Commission and all other agencies that are by statute designated as independent agencies.

ARTICLE II. DEPARTMENT OF LAW

Section 1. The Attorney General may promulgate and file with the Legislative Research Commission those rules and regulations which will facilitate performing the duties and exercising the authority vested in the Attorney General and the Department of Law by law.

Section 2. (1) The Attorney General, with the approval of the commissioner of the department or the commission involved shall appoint an Assistant Attorney General for the Department of Highways, for the Public Service Commission, for the Department of Revenue, and for the Railroad Commission.

(2) The assistant attorneys general and additional attorneys provided for in subsection (1) of this section shall each be a person admitted to the practice of law by the Court of Appeals of this Commonwealth and shall qualify by taking the oath of office. They shall be paid out of the appropriation or other funds of the respective department or commission to which they are assigned.

Section 3. The Attorney General, when requested in writing, under KRS 15.020, shall furnish such opinions subject to the following conditions:

(1) When questions of law of interest to the Commonwealth are submitted by a state department, agency, board or commission;

(2) When public questions of law are submitted by either house of the Legislature or by any member of the Legislature;

(3) When public questions of law pertaining to local government are submitted in writing by the proper public official of the county or other political subdivision of the Commonwealth;

(4) When, in the discretion of the Attorney General, the question presented is of such public interest that an Attorney General's opinion on the subject is deemed desirable and when provided for by regulation pursuant to the provisions of this section.

Section 4. Section 12.210 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Governor, or any department with the approval of the Governor, may employ and fix the term of employment and the compensation to be paid to an attorney or attorneys for legal services to be performed for the Governor or for such department. Before approving the employment of an attorney the Governor shall consult the Attorney General as to whether legal services requested by departments are available in the Attorney General's office. The com-

pensation and expenses of any attorney or attorneys employed under the provisions of this section shall be paid out of the appropriations made to such department as other salaries, compensation and expenses are paid, except when the terms of employment provide that the compensation shall be on a contingent basis, and in such event the attorneys may be paid the amount specified out of the moneys recovered by them or out of the General Fund. If the Governor approves the employment, the terms of employment shall be duly entered by Executive Order upon the Executve Journal in the office of the Secretary of State.

(2) An attorney may be employed pursuant to the provisons of subsection (1) of this section to render legal services for one or more departments, boards, agencies or commissions.

Section 5. Section 15.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Attorney General shall appoint a Deputy Attorney General who shall qualify as required by law, to serve at the pleasure of the Attorney General, and such assistants and special attorneys as he deems necessary to transact the business of the Department of Law, and perform such duties as he may designate. The deputy attorney general, assistants, and special attorneys shall have full power, as authorized and under the direction of the Attorney General, to perform such duties as may be performed by the Attorney General. The Attorney General shall be responsible for the official acts of his deputy, assistants, and special attorneys.

(2) In addition to the appointment and designation of assistants and special attorneys pursuant to subsection (1) of this section, the Attorney General may enter into such contracts for legal services as he deems necessary and advisable.

(3) Each assistant or special attorney so appointed or designated shall be a person admitted to the practice of law by the Court of Appeals of this Commonwealth and shall qualify by taking the oath of office.

Section 6. Sections 15.110, 15.115, 15.120 and 15.140 of the Kentucky Revised Statutes are hereby repealed.

ARTICLE III. DIVISION OF SURPLUS PROPERTY

Section 1. There shall be established a Division of Surplus Property in the Department of Education.

Section 2. The Division of Surplus Property is authorized and empowered to receive, warehouse, and distribute surplus property under the provisions of the Federal Property and Administrative Services Act of 1949, as amended, and other federal laws relating to surplus property. The division shall comply with federal laws and regulations in the administration of surplus property received through federal agencies, and shall establish with the approval of the State Board of Education such rules and regulations necessary for compliance with minimum standards established therein.

Section 3. All functions, personnel, funds, records, equipment, and facilities heretofore in the Division of Property Utilization shall be transferred to the Division of Surplus Property and the Division of Property Utilization is hereby abolished.

ARTICLE IV. KENTUCKY SCHOOL FOR THE DEAF

Section 1. The Kentucky School for the Deaf at Danville, Kentucky, shall be managed and controlled by the State Board of Education. The board shall have possession and the responsibility and authority for preservation, repair and control of the buildings and grounds belonging to the state and dedicated to the school. The board may, except as provided in KRS 42.060, sell any property held for the use and benefit of the school, and purchase other property deemed by the board to be suitably and conveniently located, and erect buildings necessary for carrying out the purposes of the school. The board may adopt rules and regulations to carry into effect its powers with respect to the school, and may require from the superintendent of the school any reports and informaton it desires as to the condition of the school.

Section 2. The State Board of Education may employ, prescribe and direct the duties and conduct of a superintendent, physician, professors, teachers, and all other necessary agents and employes for the Kentucky School for the Deaf. The superintendent shall be a person with at least five years' experience in the education and training of the deaf.

Section 3. (1) There shall be established a Kentucky School for the Deaf Advisory Board composed of five members appointed by the Governor for terms of four years and until their successors are appointed. The board shall elect from its membership a chairman. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in performance of their duties.

(2) The Kentucky School for the Deaf Advisory Board shall act in an advisory capacity to the State Board of Education and the superintendent in conducting the activities of the school.

Section 4. Section 167.130 of the Kentucky Revised Statutes is amended to read as follows:

The persons in charge of any public institution in this state at which the deaf are received for instruction shall, while in session, receive any deaf child sent to the institution, unless it can be shown at the time the institution is taxed to its capacity and there is no room or means of taking care of the child, or that the physical condition of the child is such as to prevent study or to constitute a menace to the health of the other pupils of the institution, or that the child is mentaly deficient and incapable of successfully pursuing the prescribed course of study of the institution, or that the habits and practices of the child are such as to constitute a detriment to the welfare of the other pupils of the institution. When a child is received he shall be cared for under the provisons of the statutes regulating the institution and the bylaws prescribed by the trustees or managers for the government of the institution.

Section 5. Section 167.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates KRS 167.090 shall be fined not less than fifty nor more than one hundred dollars for the first offense and not less than one hundred nor more than two hundred dollars for a subsequent offense.

(2) Any person who violates KRS 167.110 shall be fined not more than fifty dollars or imprisoned in the county jail not more than thirty days, or both.

(3) The county courts shall have exclusive jurisdiction of prosecutions for violating KRS 167.090 and 167.110.

Section 6. Sections 167.010, 167.020, 167.030, 167.040, 167.050, 167.060, 167.070, and 167.080 of the Kentucky Revised Statutes are repealed.

ARTICLE V. STATE LOCAL FINANCE OFFICER

Section 1. All of the functions of the State Local Finance Officer provided in Chapters 66, 68, 103, and 131 of the Kentucky Revised Statutes relating to the issuance of bonds and control of funds of counties, cities, and other local units and county financial administration shall be transferred to the Department of Finance.

Section 2. The records, property, personnel, and any unexpended appropriations balances maintained for carrying out the functions of the State Local Finance Officer shall be transferred to the Department of Finance.

Section 3. Section 66.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever used in KRS 66.290 to 66.390, unless the context requires otherwise:

(a) "Commission" means the County Debt Commission as hereinafter established.

(b) "State Local Finance Officer" means the Commissioner of Finance or his agent designated in writing with the approval of the Governor.

(c) "Fiscal court" means the judge of the county court and the justices of the peace or the judge of the county court and the commissioners of the county.

(d) "Funding bonds" or "funded indebtedness" means bonds issued to fund floating indebtedness, or reissues thereof.

(e) "Road and bridge bonds" means county orad and bridge bonds issued under the authorization of Section 157a of the Constitution of Kentucky, or reissues thereof.

(f) "Refunding bonds" means bonds issued for the purpose of reissuing or renewing outstanding bonds.

(2) KRS 66.280 to 66.390 may be cited as the "County Debt Act."

Section 4. Section 66.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Local Finance Officer, with the approval of the commission, shall have authority to invest any funds accrued to the County Sinking Fund and the fiscal court shall have authority to invest any funds accrued to and maintained in a county sinking fund which are not needed to meet interest and principal maturities on county debts within the next succeeding twelve months in obligations secured by the credit of the United States Government, or in warrants of the Commonwealth of Kentucky, or in road and bridge bonds of any county of the Commonwealth which have been approved by the commission for such investment, provided that the securties thus purchased shall become payable before the money with which they were purchased shall be required for meeting obligations of the sinking fund. Nothing in this section shall prevent a county or the State Local Finance Officer from purchasing any bonds, at a price which will result in a saving to the county, prior to their maturity date with sinking fund monies created for their redemption; provided that such monies are not required for the redemption of bonds maturing prior to those purchased, and provided further that bonds so purchased shall be cancelled and interest thereon shall cease.

(2) Any earnings or losses of the County Sinking Fund shall be charged or credited as of July 1 of each year among the counties maintaining deposits therein in the ratio which the largest amount in any sinking fund account continuously on deposit for a period of six months during the twelve months preceding allocation bears to the sum of such amounts for all sinking fund accounts.

Section 5. Section 68.210 of the Kentucky Revised Statutes shall be amended to read as follows:

The administration of the county uniform budget system shall be under the supervision of the Department of Finance, and the department may inspect and shall supervise the administration of accounts and financial operations and shall prescribe and may install a system of uniform accounts for all counties and county officials. It may require all officials of all local governments and local taxing districts to submit such annual financial reports as it may deem proper. It may investigate, examine, and supervise the accounts and operations of all local governments and local government officers. This section does not impose upon or transfer to the department any postaudit functions.

Section 6. Section 131.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall requisition the Department of Finance to furnish to local officials an adequate supply of forms for listing property for taxation and such other forms and blanks so prescribed as the law requires the state to provide. The books and records prescribed for use by county tax commissioners, county court clerks, sheriffs and other county tax collectors shall be designated to promote economical operation, adequate control, availability of useful information, and safekeeping. The forms prescribed for listing intangible property shall be designated to secure a detailed list so that valuations may conveniently be checked with available sources of information, and so that the confidential character of the intangible property assessment may be safeguarded.

(2) The department may confer with, advise and direct local officials respecting their duties relating to taxation, and shall supervise the officials in the performance of those duties. The department, by authorized agents, may visit local governmental units and officers for investigational purposes, when it seems reasonably necessary.

(3) The department shall arrange for an annual conference of the county tax commissioners, or the county officers whose duty it is to assess property for taxation, to give them systematic instruction in the fair and just valuation and assessment of property, and their duty in connection therewith. The conference shall continue not more than five days. Such officers shall attend and take part in the conference, unless prevented by illness or other reason satisfactory to the commissioner. Any such officer willfully failing to attend the conference may be removed from office by the circuit court of the county wherein he was elected. If the officer participates in all sessions of the conference, one half of his actual and necessary expenses in attending the conference shall be paid by the state, and the other half shall be paid by the county from which he attends. Each officer shall make out an itemized statement showing his actual and necessary expenses, and if it is found regular and supported by proper receipts it shall be approved by the department before payment.

Section 7. Section 131.070 of the Kentucky Revised Statutes is hereby repealed.

ARTICLE VI. DIVISION OF MENTAL RETARDATION

Section 1. There shall be established in the Department of Welfare a Division of Mental Retardation, the executive head of which shall be appointed by the Commissioner of Welfare in accordance with the provisions of KRS 12.050.

Section 2. The function of the Division of Mental Retardation shall be to develop and encourage the development of programs in the areas of unmet need for the mentally retarded and to coordinate and assist in developing further the programs assigned to or performed by private and governmental agencies.

Section 3. The division may, to the extent that funds are available, enter into cooperative agreements with public or private agencies operating facilities for the care, treatment and training of the mentally retarded.

Section 4. The duties of the Division of Mental Retardation may include but rae not limited to:

(1) Developing community resources.

(2) Assisting in the development of parent counseling centers, vocational services and diagnostic clinic facilities and services.

(3) Advising local and state agencies as to the needs of the mentally retarded.

(4) Fostering interdepartmental cooperation among the state agencies responsible for providing services to the mentally retarded.

Section 5. (1) There shall be established a Mental Retardation Board attached to the Division of Mental Retardation.

(2) The Mental Retardation Board shall be composed of five members, appointed by the Governor, for terms of four years. Members shall serve until their successors are appointed. The board shall elect from its membership a chairman. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties.

(3) The Mental Retardation Board shall act in an advisory capacity to the Commissioner of Welfare in regard to the program of the Division of Mental Retardation.

ARTICLE VII. MEDICAL CARE PROGRAM FOR INDIGENT PERSONS

Section 1. This article shall be known as the "Medical Assistance Act."

Section 2. The General Assembly of the Commonwealth of Kentucky recognizes and declares that it is an essential function, duty and responsibility of the State Government to provide medical care to its indigent citizenry; and it is the purpose of the Medical Assistance Act to provide such care.

Section 3. Definitions. As used in this article, unless the context clearly requires a different meaning:

(1) "Council" means the Advisory Council for Medical Assistance;

(2) "Dentist" means a person authorized to practice dentistry under the laws of the Commonwealth;

(3) "Federal-State Medical Care Fund" means a trust and agency fund established, maintained, and operated by the Department of Economic Security as an arrangement to meet the cost of medical care for public assistance recipients and into which payments are made in behalf of each public assistance recipient covered by the fund;

(4) "General Assistance Recipient" means a person who has been certified by the responsible state agency as being eligible for, and a recipient of, tax-supported public assistance for maintenance other than as provided under the provisions of Chapter 205 of the Kentucky Revised Statutes, or a person whose dependence on such recipient is recognized in the determination of budgetary requirements for such payments;

(5) "Medical Care" as used in this article means essential medical, surgical, dental, and nursing services, in the home, office, clinic, or other suitable place, which are provided or prescribed by physicians or dentists licensed to render such service, including drugs and medical supplies, appliances, laboratory, diagnostic and therapeutic services, nursing home and convalescent care, hospital care as defined in Section 7 (1) (a) of this article, and such other essential medical services and supplies as may be prescribed by such persons;

(6) "Nurses" means persons authorized to practice professional nursing under the laws of the Commonwealth;

(7) "Nursing Home" means a facility which provides routine medical care in which physicians regularly visit patients, which provides nursing services and procedures employed in caring for the sick which require training, judgment, technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care, and which is licensed pursuant to the provisions of KRS 216.400;

(8) "Pharmacist" means a person authorized to practice pharmacy under the laws of the Commonwealth;

(9) "Physican" means a person authorized to practice medicine or osteopathy under the laws of the Commonwealth;

(10) "Public Assistance Recipient" means a person who has been certified by the Division of Public Assistance of the Department of Economic Security as being eligible for ,and a recipient of, public assistance under the provisions of Chapter 205 of the Kentucky Revised Statutes or a needy person who is living with and essential to such recipient and is recognized in the determination of budgetary requirements for such payment;

(11) "State-County Medical Care Fund" means a trust and agency fund established, maintained, and operated by the responsible

state agency as an arrangement to meet the costs of medical care for general assistance recipients and into which payments are made;

(12) "Vendor Payment" means a payment for medical care which is paid by the Department of Economic Security directly to the authorized person or institution which rendered medical care to a public assistance recipient or to a general assistance recipient.

Section 4. This article shall be administered by the Department of Economic Security which shall contract with the Department of Health for the medical care aspects of the program as provided in Section 8 of this article.

Section 5. (1) An Advisory Council for Medical Assistance shall be established in the State Government. The council shall consist of eleven members. The Commissioner of Health and the Commissioner of the Department of Economic Security shall be ex-officio members. The other nine members of the council shall be appointed by the Governor and shall hold office for a term of four years and until their successors are appointed and qualify, except that the members appointed to fill the first vacancy occurring for a term beginning on July 1, 1960, shall be as follows:

Two members shall be appointed for one year, two for two years, two for three years, and three for four years, and the respective terms of the first members shall be designated by the Governor at the tme of their appointments. Upon the expiration of the respective terms of the members first appointed, the term of each successor shall be for four years or until his successor is appointed and qualified. Appointments shall be made one from each list of three nominees submitted by the following organizations: the Kentucky State Medical Association; the Kentucky Dental Association; the Kentucky Hospital Association; the Kentucky Pharmaceutical Association; and the Kentucky State Association of Registered Nurses. The other four appointive members shall be intelligent and discreet citizens residing within the Commonwealth, who are not members of professional groups which are recipients of vendor payments. No nominee or member of the council shall be a stockholder or have any financial interest in any hospital, nursing home, or related institution.

(2) Each appointive member of the council shall serve without compensation but shall be entitled to reimbursement for his actual and necessary expenses in carrying out his duties.

(3) Vacancies shall be filled for the unexpired term in the same manner as original appointments, maintaining original representations.

(4) The council shall elect a chairman, vice-chairman, and secretary from among its members at its first regular meeting in each fiscal year and shall adopt rules governing its proceedings. The council shall hold a meeting at least once every three months and such other special or regular meetings as may be desired.

Section 6. The council shall develop and formulate recommendations to the Department of Economic Security and the Department of Health as to policies, plans, budgets, programs, and rules and regulations relating to:

(1) The administration of the Medical Assistance Act;

(2) The utilization of facilities and personnel of the Department of Economic Security and the Department of Health;

(3) The inclusion or exclusion, by regulation, of general assistance recipients or certain classes thereof;

(4) The designation, by regulation, of the scope of medical care for which the Department of Economic Security should undertake to pay;

(5) The designation, by regulation, of quantity and quality standards and of methods for determining costs for vendor payments for medical care services, taking into consideration insurance and other financial resources available to the recipients;

(6) The designation, by regulation, of the limitations, duration and frequency of medical care for which vendor payments for medical care services should be made;

(7) The administration of grants, gifts, and contributions from the Federal Government, from county fiscal courts, from city legislative bodies, or from other sources, for the purpose of carrying out the intent and purposes of the Medical Assistance Act;

(8) The establishment of and contribution to a federal-state medical care fund from funds appropriated from time to time by the General Assembly for public assistance recipients;

(9) The establishment of and contribution to a state-county medical care fund from funds appropriated from time to time by the General Assembly for medical care of general assistance recipients on a formula contribution basis promulgated by the Department of Economic Security;

(10) The conducting of studies, research, demonstrations, and surveys to carry out the purposes of the Medical Assistance Act;

(11) Agreements and contracts for the administration of the Medical Assistance Act;

(12) The utilization of facilities and personnel of local health departments and local public assistance offices;

(13) The periodic evaluation of the program and publication of reports thereof;

(14) The formulation of such modifications, expansions, or contractions of the program as may be desirable or necessary.

Section 7. (1) The scope of medical care for which the Department of Economic Security undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. The selection of the class or classes of medical care shall be recommended by the council to the Commissioner of the Department of Economic Security and the Commissioner of the Department of Health after taking into consideration, among other things, the amount of federal, state and local funds available, the most essential needs of public and general assistance recipients and the meeting of such need on a basis insuring the greatest amount of medical care as defined in Section 3 consonant with the funds available including but not limited to the following categories:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization.

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician or dentist.

(c) Drugs, nursing care, and medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician or dentist.

(d) Physician and dental services.

(2) Payments for hospital care, nursing home care, and drugs or other medical and dental supplies shall be on bases which relate the amount of the payment to the cost of providng such services or supplies. It shall be one of the functions of the council to make recommendations to the Department of Health with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The range of medical care benefit standards provided and the quality and quantity standards and the methods for determining cost formulae for vendor payments shall be uniform for the entire state and designated by regulation. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions.

Section 8. The Department of Economic Security shall retain all responsibility relating to the certification of eligibility of all recipients, fiscal matters, and general responsibility for the administration of this article, but shall contract with the Department of Health for the purpose of carrying out the medical care aspects of the program, which aspects shall include but not be limited to the operation functions of certifying the need of recipients for medical care, issuing authorizations for provision of medical care, certifying the provision of medical care in accordance with authorizations issued and in accordance with quantity and quality standards as established, developing and maintaining a manual of policies and procedures for the operation of the medical care aspects of the program, developing bases of payment for medical care, and certifying vendor billings for compliance with bases of payment as established pursuant to this article.

Section 9. There shall be established in the Department of Health a Division of Medical Care which shall be charged with the responsibility of carrying out the duties of the department under any agreement or contract made with the Department of Economic Security for the purposes of this article.

Section 10. The Department of Economic Security and the Department of Health shall provide the council with such staff assistance and information as it may require for proper performance of its duties and evaluation of the operation of the program provided for in this article.

Section 11. As state funds become available, fiscal courts and city legislative bodies may appropriate and contribute to the state-county medical care fund to qualify the county for benefits available through such funds to general asssitance recipients. Such appropriations shall be on a formula basis as determined by the Department of Economic Security and may vary from 85 per cent state participation in less affluent counties to 15 per cent in more affluent counties. The amount of such contribution required to qualify each county for benefits shall be determined by the Department of Economic Security based on the estimated sum of expenditures from the state-county medical care fund for services that would be provided to recipients residing in the county multiplied by a percentage derived from a formula designed to produce a variable rate of state matching of the contributions of the respective counties in accordance with variations among the counties in economic resources and conditions. Such formulae shall be developed and modified annually with the objective of making qualifications for benefits from the fund equally possible and attainable for all counties, provided further, however, that the factors comprising the formula, their treatment and the method of computation and derivation of the resulting percentages shall be defined by regulaton which shall be applied uniformly in the determinations of the contributions for all counties which they are required to make to the fund to qualify for benefits.

Section 12. (1) The following technical advisory committees shall be established for the purpose of acting in an advisory capacity to the council with respect to the administration of the Medical Assistance Act:

(a) A Technical Advisory Committee on Physician Services consisting of five physicians appointed by the Council of the Kentucky State Medical Association;

(b) A Technical Advisory Committee on Hospital Care consisting of five hospital administrators appointed by the Board of Trustees of the Kentucky Hospital Association;

(c) A Technical Advisory Committee on Dental Care consisting of five dentists appointed by the Kentucky Dental Association;

(d) A Technical Advisory Committee on Nursing Service consisting of five nurses appointed by the Board of Directors of the Kentucky State Association of Registered Nurses;

(e) A Technical Advisory Committee on Drugs consisting of five pharmacists appointed by the Kentucky Pharmaceutical Association;

(f) A Technical Advisory Committee on Nursing Home Care consisting of five members appointed by the Kentucky Association of Nursing Homes.

(2) The members of the Technical Advisory Committees shall serve until their successors are appointed and qualified.

Section 13. The Commissioner of Health shall appoint a county medical review committee for each county of the Commonwealth consisting of three physicians and a dentist, the duties, responsibilities and terms of office of which shall be determined by the council. Appointments shall be made from a list of three nominees for each appointment submitted by the Kentucky State Medical Association and the Kentucky Dental Association, respectively.

Section 14. Payments into the federal-state medical care fund shall be dedicated to the payment of costs of medical care for public assistance recipients. Federal-state medical care funds shall be subject to federal participation as an assistance expenditure for medical care in behalf of public assistance recipients.

Section 15. Payments into the state-county medical care fund shall be dedicated to the payment of medical care for general assistance recipients with respect to which payments are made. State-county medical care funds shall be subject to county participation as an assistance expenditure for medical care in behalf of general assistance recipients.

Section 16. Any person who knowingly makes a false statement or representation or who knowingly fails to disclose a material fact or by impersonation or other fraudulent device obtains or attempts to obtain any medical care benefits under the provisions of this article shall be fined not less than ten dollars nor more than one hundred dollars, or imprisoned for not more than thirty days, or both. Each false statement, representation, failure or violation, and each benefit payment made in reliance on such false statement, representation, failure of violation, shall constitute a separate offense.

ARTICLE VIII. DIVISION OF BOATING

Section 1. (1) There shall be established in the Department of Public Safety a Division of Boating.

(2) The head of the Division of Boating shall be appointed by the Commissioner of Public Safety in accordance with the provisions of KRS 12.050.

(3) The Division of Boating shall be authorized to employ necessary personnel to carry out the functions assigned to the division in this article.

Section 2. This article shall be known as the State Boating Act and shall be administered by the Division of Boating.

Section 3. Definitions. As used in this article unless the context clearly requires a different meaning:

(1) "Vessel" means every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on water.

(2) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, but shall not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States Government or any federal agency successor thereto.

(3) "Owner" means a person, other than a lien holder, having the property in or title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security.

(4) "Waters of this state" means any waters within the territorial limits of this state.

(5) "Person" means an individual, partnership, firm, corporation, association, or other entity.

(6) "Operate" means to navigate or otherwise use a motorboat or a vessel.

(7) "Department" means the Department of Public Safety.

(8) "Division" means the Division of Boating within the Department of Public Safety.

(9) "License" and "Certificate of Number" as used herein are synonymous.

(10) "Clerk" means Circuit Court Clerk.

Section 4. Every motorboat on the waters of this state shall be numbered. No person shall operate or give permission for the operation of any motorboat on such waters unless the motorboat is registered and numbered in accordance with this article, or in accordance with the applicable federal law, or in accordance with a federally approved numbering system of another state, and unless (1) the certificate of number awarded to such motorboat is in full force and effect, and

(2) the identifying number set forth in the certificate of number is displayed on each side of the bow of such motorboat.

Section 5. (1) Except as otherwise provided in this article, before the owner or operator of each motorboat required to be registered and numbered by Section 4 of this article may operate it or permit its operation upon the waters of this state, the owner shall apply for registration to the circuit court clerk of the county in which he resides, except, if the motorboat is to be operated principally in a county other than the county of the owner's residence the owner may apply for registration to the circuit court clerk of the county in which the motorboat is to be principally operated. A motorboat last registered in another state and purchased by a person for operation in this state shall be first registered in this state by and in the name of the purchaser and not in the name of the seller. The application shall be in quadruplicate with one copy to be retained by the circuit court clerk, one copy to be forwarded to the division, and the original and one copy to be forwarded by the clerk to the Department of Revenue. The original application shall be accompanied by:

(a) A bill of sale, if the application is for registration of a new motorboat; or

(b) The owner's registration receipt if the motorboat was last registered in this state; or

(c) A bill of sale and the previous registration receipt if last registered in another state; and

(d) The annual registration fee.

(2) Motorboats shall be registered annually.

Section 6. All original, renewal and duplicate licenses for the operation of motorboats shall be issued by the Division of Boating.

Section 7. (1) Every person seeking a license or certificate of number or renewal for operation of a motorboat shall apply in person to the circuit court clerk of the county as provided in Section 5 of this article and make application on a form furnished by the division. The application shall contain the full name and signature, citizenship of applicant, date of birth, sex, race, present resident address, the make of the boat, serial number, if any, length, beam, motive power, maximum capacity, type of hull material, and intended use of boat. It shall also state whether the applicant has been previously licensed or registered as an owner, and if so, when and by what state or country, whether any license registration or certificate number has been cancelled, suspended, revoked, refused, and if so, the date of and reason for cancellation, suspension, revocation or refusal and such other information as may be required.

(2) Every applicant shall make oath as to the truthfulness of the statements contained in the form.

(3) The clerk shall, after determining that the applicant has complied with the law concerning applications, issue a temporary license, certificate of number or renewal thereof to be valid for not more than ninety days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent certificate from the Division of Boating.

Section 8. (1) With the exception of motorboats for hire by a boat livery, the annual registration fee for motorboats shall be based upon length of the motorboat as follows: 1 foot to 16 feet—$3.00; 16 feet to 26 feet—$5.00; 26 feet to 40 feet—$8.00; 40 feet and larger—$10.00. The annual registration fee for all inboard motorboats shall be $10.00. Every application shall be accompanied by the registration fee above set out.

(2) The annual registration fee for boats for hire from a boat livery shall be as follows: 1 foot to 16 feet—$1.00; 16 feet to 26 feet—$2.50; 26 feet to 40 feet—$4.00; 40 feet and larger and inboard motorboats—$5.00. Owners of a boat livery shall apply for licenses or certificates in the manner provided in this Act, but the division may promulgate special rules and regulations relating to their certification and registration.

Section 9. No later than the tenth day of each month the circuit court clerk shall make a written report to the division which shall include the name and address of those persons who have applied for registration of motorboats, the length and type of such motorboat, and the registration fee charged and the amount of registration fee collected from the applicant. This report shall cover the period of the calendar month preceding the report. The original applications for registration and the fees collected by the clerk shall be forwarded with a copy of the said report to the Department of Revenue. The clerk shall collect from each owner a fee in the sum of $0.50 for each registration in addition to the registration fee.

Section 10. Upon receipt of the clerk's report and copies of the applications, the divisions shall cause each of said applications to be entered upon the records of its office and shall issue to the applicant a certificate of number stating the number awarded to the motorboat, the name and address of the owner, and any other information prescribed by the division.

Section 11. The owner shall cause to be painted on or attached to each side of the bow of the motorboat the indentification number in such manner as may be prescribed by rules and regulations of the division in order that it may be clearly visible. The number shall be maintained in legible condition. The certificate of number shall be pocket size and shall be available at all times for inspection on the motorboat for which issued, whenever such motorboat is in operation.

Section 12. The owner of any motorboat already covered by a number in full force and effect which has been awarded to it by the then operative federal law or a federally approved number system of another state shall record the number prior to operating the motorboat on the waters of this state in excess of the ninety day reciprocity period provided for in Section 23 of this article, the fee for such recordation being the same as for an original registration as provided for in Section 8 of this article. Such recordation shall be in the manner and pursuant to the procedure required for the award of a number under Sections 5 through 7 of this article, except that no additional or substitute number shall be issued.

Section 13. (1) Whenever a motorboat that has been previously registered in Kentucky changes ownership, the registration number previously assigned shall remain a part of it.

(2) No person acting for himself or another shall buy or trade for any motorboat without receiving the certificate of number issued for that boat for the current period with a certificate of transfer endorsed thereon.

(3) It shall be the duty of the purchaser to record the endorsed certificate of number with the circuit court clerk of the county of the purchaser's residence or in which the motorboat is to be principally operated and to pay a transfer fee of $1.00. The clerk thereupon shall forward the endorsed certficate of number to the division and the transfer fee to the Department of Revenue. Upon receipt of the endorsed certificate the division shall thereupon issue a new certificate of number bearing the same date and information required on the original certificate of number except the change in owner's name and address. The clerk shall charge the purchaser a fee of $0.50.

Section 14. The numbering system employed pursuant to this article shall be in conformity with the over-all system of identification numbering adopted by the appropriate agency of the United States government for motorboats within the United States.

Section 15. The division shall insofar as is practicable assign to each motorboat the number previously assigned thereto upon each subsequent registration.

Section 16. All records of the department made or kept pursuant to the issuance of a certficate of number shall be public records.

Section 17. Every certificate of number awarded pursuant to this article shall continue in full force and effect for a period of one year unless sooner terminated or discontinued in accordance with the provisions of this article.

Section 18. The division shall fix a day and month of the year on which certificates of number due to expire during the calendar year shall elapse and no longer shall be in force unless renewed pursuant to this article.

Section 19. The owner shall furnish the circuit court clerk notice of the transfer of all or any part of his interest other than the creation of a security interest in a motorboat numbered in this state pursuant to the provisions of this article or of the destruction or abandonment of such motorboat, within fifteen days thereof. Such transfer, destruction, or abandonment shall terminate the certificate of number for such motorboat, except, that in the case of a part interest which does not effect the owner's right to operate such motorboat, such transfer shall not terminate the certificate of number.

Section 20. Any holder of a certificate of number shall notify the division within fifteen days if his address no longer conforms to the address appearing on the certificate and shall, as a part of such notification, furnish the division with his new address. The division may provide in its rules and regulations for the surrender of the certificate bearing the former address and its replacement with a certificate bearing the new address or for the alteration of an outstanding certificate to show the new address of the holder.

Section 21. No number other than the number awarded to a motorboat or granted reciprocitv pursuant to this article shall be painted, attached, or otherwise displayed on either side of the bow of such motorboat.

Section 22. Every motorboat shall have aboard:

(1) One life preserver, buoyant vest, ring buoy or buoyant cushion of the type approved by the Commandant of the United States Coast Guard in good and serviceable condition for each person on board.

(2) When in operation during hours of darkness, lights sufficient to make the motorboat's presence and location known to any and all other vessels within a reasonable distance.

(3) If carrying or using any inflammable or toxic fluid in any enclosure for any purpose, and if not an entirely open motorboat, an efficient natural or mechanical ventilation system which shall be capable of removing resulting gasses prior to, and during the time such motorboat is occupied by any person.

(4) Such additional equipment designated to promote the safety of navigation and of persons as the division may find to be appropriate and for which it has provided in its rules and regulations.

(5) No person shall operate or give permission for the operation of a motorboat which is not equipped as required by this section or modification thereof, or which is not safe for operation as a motorboat.

Section 23. A motorboat shall not be required to be numbered under this article if it is:

(1) Already covered by a number in full force and effect which has been awarded to it pursuant to federal law or a federally approved numbering system of another state; provided, that such boat shall not have been within this state for a period in excess of ninety consecutive days.

(2) A motorboat from a country other than the United States temporarily using the waters of this state.

(3) A motorboat whose owner in the United States, a state or a subdivision thereof.

(4) A ship's lifeboat used or intended to be used as such.

(5) A motorboat belonging to a class of boats which has been exempted from numbering by the division after said agency has found that the numbering of motorboats of such class will not materially aid in their identification; and, if an agency of the federal government has a numbering system applicable to the class of motorboats to which the motorboat in question belongs, after the division has further found that the motorboat would also be exempt from numbering if it were subject to the federal law.

Section 24. Every manufacturer of, or dealer in motorboats in this state shall register with the division at Frankfort, Kentucky, and pay an annual registraton fee of twenty-five dollars ($25.00) to the division. Upon receipt of this fee the division shall issue to the manufacturer or dealer a certificate of number and a plate bearing the number assigned, which plate shall be so designed that it can be transferred from boat to boat. Every manufacturer or dealer registered under this section shall be furnished additional dealer certificates of number and plates upon the payment of two dollars ($2.00) for each additional certificate of number desired. A motorboat bearing dealer's plates and carrying a dealer's certificate of number may be used only by a member of the firm registered or by a bona fide salesman or employe of the firm for any purpose reasonably connected with the sale or demonstration for sale and delivery of the dealer's motorboat or by any manufacturer or dealer licensed as provided above in transporting any motorboat over the waters of this state to his place of retail business for the manufacturer or wholesale dealer in motorboats and for no other purpose.

Section 25. (1) The owner of a boat livery shall cause to be kept a record of the name and address of the person or persons hiring any vessel which is designed or permitted by him to be operated as a motorboat; the identification number thereof; and the departure time and date, and the expected time of return. The record shall be preserved for at least six months.

(2) Neither the owner of a boat livery, nor his agent or employe shall permit any motorboat or any vessel designed or permitted by him to be operated as a motorboat depart from his premises unless

it shall have been provided, either by owner or renter, with the equipment required pursuant to Section 22 of this article and any rules and regulations made pursuant thereto.

Section 26. (1) No person shall operate any motorboat or vessel, or manipulate any water skis, surfboard or similar device in a reckless or negligent manner so as to endanger the life or property of any person.

(2) No person shall operate any motorboat or vessel, or manipulate any water skies, surfboard, or similar device while intoxicated or under the influence of any narcotic drug, barbiturate or marijuana.

(3) Any person who, by negligent operation of a motorboat, causes the death of another, under circumstances not otherwise punishable as a homicide, shall be imprisoned in the county jail for not more than one year.

Section 27. (1) It shall be the duty of the operator of a vessel involved in a collision, accident, or other casualty, so far as he can do so without serious danger to his own vessel, crew, and passengers (if any), to render to other persons affected by the collision, accident, or other casualty such assistance as may be practicable and as may be necessary in order to save them from or minimize any danger caused by the collision, accident or other casualty, and also to give his name, address, and identification of his vessel in writing to any person injured and to the owner of any property damaged in the collision, accident, or other casualty.

(2) In the case of collision, accident, or other casualty involving a vessel, the operator thereof, if the collision, accident or other casualty results in death or injury to a person or damage to property in excess of one hundred dollars shall file with the division a full description of the collision, accident, or other casualty, including such information as said agency may, by regulation, require.

Section 28. All required reports and supplemental reports shall be without prejudice to the individual making them, and shall be for the confidential use of the division, except that the division may disclose the identity of a person involved in an accident when his identity is not otherwise known or when he denies his presence at an accident. No such report shall be used in evidence in any trial arising out of an accident, but the division shall furnish upon demand of any person who has, or claims to have, made such a report or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the division, solely in order to prove compliance or noncompliance with the requirements of Section 27 of this article that such a report be made.

Section 29. In accordance with any request duly made by an authorized official or agency of the United States, any information compiled or otherwise available to the division pursuant to Section 27 of this article shall be transmitted to said official or agency of the United States.

Section 30. The division, with the approval of the Commissioner of Public Safety, shall promulgate rules and regulations to govern the operation of boats on any waters of this state towing a person or persons on water skis, a surfboard, or similar device.

Section 31. (1) The division may authorize the holding of regattas, motorboat or other boat races, marine parades, tournaments or exhibitions on any waters of this state. It shall adopt and may, from time to time, amend regulations concerning the safety of motorboats and other vessels and persons thereon, either observers or participants. Whenever a regatta, motorboat or other boat race, marine parade, tournament or exhibition is proposed to be held, the person in charge thereof shall, at least fifteen days prior thereto, file an application with the division for permission to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition. The application shall set forth the date, time and location where it is proposed to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition, and it shall not be conducted without authorization of the division in writing.

(2) The provisions of this section shall not exempt any person from compliance with applicable federal law or regulation, but nothing contained herein shall be construed to require the securing of a state permit pursuant to this section if a permit therefor has been obtained from an authorized agency of the United States.

Section 32. The operator of a vessel or motorboat shall be liable for any injury or damage occasioned by the negligent operation of such vessel or motorboat, whether such negligence consists of a violation of the provisions of the statutes of this state or neglecting to observe such ordinary care and operation as the rules of the common law require. Where the owner is not the operator of the vessel or motorboat he shall not be liable for such injury or damage unless such owner is aboard the vessel or motorboat at the time of such injury or damage or unless the operator at such time of injury or damage is operating said boat upon the owner's business or in the course and scope of his employment with the owner. The "Family Purpose Doctrine" as it is applied in the use and operation of automobiles shall be applicable to the use and operation of vessels or motorboats. Nothing contained herein shall be construed to relieve any other person from any liability which he would otherwise have, but nothing contained herein shall be construed to authorize or permit any recovery in excess of injury or damage actually incurred.

Section 33. (1) The division shall designate officers and employes of the agency to enforce the provisions of this article. Such officers and employes so designated have the powers of peace officers of the Commonwealth in the performance of such duties. In enforcing the provisions of this article such officers and all other peace officers of the Commonwealth and its subdivisions shall have the right to enter upon all waters of this state, either private or public, for the purpose of inspecting certificate of registration and boat numbering, and shall have the right to enter upon all boats on such waters for the purpose of examining their registration documents. They may arrest on sight, without warrant, any person detected by them in the act of violating any of the provisions of this article. They shall have the same right as sheriffs to require aid in arresting, with or without process, any person found by them violating any of the provisions of this article.

(2) All peace officers and other employes in the division shall be covered by the state merit system established by House Bill 199 of the 1960 General Assembly and shall not be covered by the merit system for other peace officers in the Deparment of Public Safety as provided in Chapter 16 of the Kentucky Revised Statutes.

Section 34. All numbers placed upon the bow of a motorboat subject to this numbering system shall be of such size, color and type as the division may by regulation prescribe, but not less than three inches in height. All such regulations shall be in accordance with any federal uniform regulations concerning such matters as may be currently in effect.

Section 35. The division, with the approval of the head of the department, may promulgate any rules and regulations not inconsistent herewith to carry out the purposes of this article.

Section 36. Any person who violates any of the provisions of this article shall be fined not less than fifteen dollars ($15.00) nor more than one hundred dollars ($100.00).

Section 37. All monies collected under the provisions of this article shall be paid into the State Treasury in the manner prescribed by law, and credited to the general expenditure fund.

Section 38. Appropriations for the operation of the Division of Boating shall be made from the general expenditure fund.

Section 39. KRS 17.010 is hereby amended to read as follows:

(1) There shall be in the State Government a Department of Public Safety, a statutory administrative department within the meaning of Chapter 12 of the Kentucky Revised Statutes, the executive head of which shall be a Commissioner of Public Safety.

(2) The Commissioner of Public Safety shall be appointed by the Governor as provided in KRS 12.040 for the heads of statutory administrative departments.

(3) The Department of Public Safety shall be divided for

administrative purposes into a Division of Accident Control, a Division of Kentucky State Police, a Division of Fire Prevention, a Division of Driver Licensing, and a Division of Boating, but this provision shall not affect the authorization of the Commissioner of Public Safety to establish new divisions and make changes with respect to existing divisions in accordance with the terms of KRS 12.030.

(4) The heads of the division of the Department of Public Safety shall be appointed by the Commissioner of Public Safety in accordance with the provisions of KRS 12.050.

ARTICLE IX. DEPARTMENT OF CHILD WELFARE

Section 1. (1) There shall be established in the State Government a Department of Child Welfare, statutory administrative department within the meaning of Chapter 12 of the Kentucky Revised Statutes, the executive head of which shall be a Commissioner of Child Welfare.

(2) The Commissioner of Child Welfare shall be appointed by the Governor as provided in KRS 12.040 for heads of statutory administrative departments and shall receive an annual salary of $11,000.

Section 2. There shall be established a Kentucky Children's Advisory Council which shall be attached to the Department of Child Welfare. It shall be composed of eleven members who are appointed by the Governor, to serve part time for staggered, overlapping four-year terms on the following basis:

(1) One member of the council shall be a diplomate psychiatrist, preferably with experience in child psychiatry, appointed from a list of three names of eligible psyciatrists submitted by the State Association of Diplomate Psychiatrists;

(2) One member of the council shall be appointed from a list of three names submitted by each of the recognized statewide veterans associations;

(3) Two members of the council shall be appointed from a list of three names for each position submitted by the chapters in the state of the National Association for Social Workers;

(4) Two members of the council shall be appointed from a list of three names for each position submitted by the Kentucky Citizens for Child Welfare, Inc.;

(5) One member of the council shall be appointed from a list of three names submitted by the KEA;

(6) One member of the council shall be appointed from a list of three names submitted by the League of Women Voters;

(7) One member of the council shall be appointed from a list of three names of eligible psychologists submitted by the Kentucky Psychological Association;

(8) One member of the council shall be appointed to represent the religions of the Commonwealth;

(9) One member of the council shall be appointed from a list of three names submitted by the Kentucky Welfare Association.

Section 3. At the first official meeting of the commission which shall be held not later than September 30, 1960, all members of the commission shall draw lots to determine the length of term each shall serve so that the terms of three members shall expire at the end of one year, the terms of three members shall expire at the end of two years, the terms of three members shall expire at the end of three years, and the terms of two members shall expire at the end of four years. After the first year all appointments, except those to fill vacancies, shall be for a period of four years. Appointments for successive and unexpired terms shall be made from lists on the same basis as original appointments are made.

Section 4. The Advisory Council shall act in an advisory capacity to the Commissioner of Child Welfare in regard to the state child welfare programs. Included in this responsibility shall be the duty to recommend, to the Commissioner of Child Welfare, policies with respect to the state child welfare programs and responsibilities, including the administration and uses of institutional facilities for children and the state licensing responsibilities related to child welfare facilities and programs, and adoption programs.

Section 5. The Department of Child Welfare shall be responsible for all child welfare functions heretofore exercised by the Department of Economic Security and the Department of Welfare, except as otherwise provided in this article. The Division of Children's Services of the Department of Economic Security and the Division of Children's Institutions of the Department of Welfare, together with their personnel, properties, facilities, equipment, records, funds, an appropriations heretofore granted to them under the statutes are hereby transferred to the Department of Child Walfare, except as otherwise provided in this article. Present wards of the Department of Economic Security and the Department of Welfare shall also be transferred to the Department of Child Welfare.

Section 6. The funds appropriated by the General Assembly and those granted by the Federal Government, as well as any funds received from private sources or state revolving funds for child welfare programs, except for public assistance to children under the Aid to Dependent Children program, shall be held in the name of the Department of Child Welfare.

Section 7. The department shall immediately upon its creation and thereafter conform in all respects to the State Merit System. The department shall also conform to federal merit system requirements in its personnel management where necessary for receiving federal grants. Personnel who enjoy merit system status in the Department of Economic Security and who are transferred to the Department of Child Welfare by this article shall retain said status in equivalent positions, but such transfer of status shall not operate to prevent reorganization of functions or consequent reclassification of positions by the Commissioner of Child Welfare.

Section 8. All functions related to child welfare, except those related to children receiving public assistance under the Aid to Dependent Children Program, delineated in Chapters 199, 200, and 208 of the Kentucky Revised Statutes heretofore performed in the Department of Economic Security and the Department of Welfare are transferred to the Department of Child Welfare. Present wards of the Department of Economic Security and the Department of Welfare shall also be transferred to the Department of Child Welfare and the respective courts of the Commonwealth shall take any necessary steps to denote this transfer.

Section 9. The Commissioner of Finance shall have the authority and responsibility for transferring personnel, properties, facilities, equipment, records, funds, and appropriations for child welfare programs, except those related to children receiving public assistance under the Aid to Dependent Children Program, in the Department of Economic Security and the Department of Welfare, to the Department of Child Welfare.

Section 10. Nothing in this article shall prevent the Department of Economic Security from providing services to children receiving public assistance under the Aid to Dependent Children Program; however, the Commissioner of Economic Security may contract with the Department of Child Welfare to provide social services to children in this category.

Section 11. Section 199.011 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Commissoner" means the Commissioner of Child Welfare;

(2) "Department" means the Department of Child Welfare;

(3) "Child" means any person who has not reached his eighteenth birthday;

(4) "Neglected or dependent child" means any child who is under such improper parental care and control or guardianship as to injure or endanger the morals, health or welfare of himself or others;

(5) "Abandoned child" means any child who by reason of the desertion of his parents or guardian is in destitute circumstances;

(6) "Child-caring institution or agency" means any agency or

institution, other than a state institution or one operated primarily for educational or medical purposes, in which four or more children, not related by blood, adoption or marriage to the person maintaining the institution, are cared for and maintained in residence for compensation or otherwise;

(7) "Child-placing instiution or agency" means any agency or institution other than a state agency which arranges for the placement of children in child-caring homes or child-caring institutions, or which arranges for the placement of children for adoption;

(8) "Child welfare worker" means any employe of the department designated as such by the commissioner or social worker employed by a county or city who has been approved by the department to handle, under its supervision, services to children.

Section 12. Section 208.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in Sections 208.010 to 208.590 and 208.990, unless the context otherwise requires:

(1) "Department" means the Department of Child Welfare;

(2) "Child" means any person who has not reached his eighteenth birthday;

(3) "Court" means the juvenile sesson of the county court;

(4) "Child welfare worker" means any employe of the Department of Child Welfare designated as such by the Commissioner of Child Welfare or social worker employed by a county or city who has been approved by the Department of Child Welfare to handle, under its supervision, services to children.

Section 13. Section 208.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any child committed to the department who has committed a public offense may, on the recommendation of the child welfare worker, at any time during the period of his commitment be:

(a) Discharged from commitment, unless he was committed by a circuit court upon a felony conviction and was given a sentence the period of which will extend beyond the age of twenty-one;

(b) Placed on parole in the home of his parents, or in a suitable foster home, family home or boarding home, upon such conditions as the department may prescribe and subject to visitation and supervision by a child welfare worker;

(c) Placed in one of the institutions operated by the department;

(d) Placed in a child-caring institution operated by a local governmental unit or by a private organization willing to receive the child, upon such conditions as the department may prescribe;

(e) Disposed of as provided in KRS 208.460 or KRS 208.470.

(2) Unless the child has been discharged from commitment, any

disposition of a child made under this section may at any time during the period of his commitment be changed and other disposition made in accordance with the provisions of this section.

Section 14. Any provision of Section 195.020, 195.030, 195.050, 196.030, 196.040, 199.010, 199.011, 199.350, 199.460, 200.010, 205.330, 208.200, 208.220, 208.320, 208.400, 208.410, 208.420, 208.510 of the Kentucky Revised Statutes which conflict with this article are repealed to the extent of the conflict. Sections 199.450, 208.480, 208.490, and 208.550 of the Kentucky Revised Statutes are repealed in their entirety.

ARTICLE X. DEPARTMENT OF PARKS

Section 1. (1) There shall be established in the State Government a Department of Parks, a statutory administrative department within the meaning of Chapter 12 of the Kentucky Revised Statutes, the executive head of which shall be a Commissioner of Parks.

(2) The Commissioner of Parks shall be appointed by the Governor as provided in KRS 12.040 for the heads of statutory administrative departments and shall receive an annual salary of $12,000.

(3) The Department of Parks shall be divided for administrative purposes into a Division of Operations, a Division of Planning and Development, and a Division of Administrative Services, but this provision shall not affect the authorization of the Commissioner of Parks to establish new divisions and make changes with respect to existing divisions in accordance with the terms of KRS 12.030.

(4) The heads of the divisions in the Department of Parks shall be appointed by the Commissioner of Parks in accordance with the provisions of KRS 12.050.

Section 2. (1) There shall be established a Parks Board attached to the Department of Parks. The Parks Board shall be a corporate entity. It may receive, acquire, preserve, hold, manage and convey land, caves, cave rights, leasehold interests, money and any other property deemed necessary by it.

(2) The Parks Board shall be composed of three members, appointed by the Governor, for terms of four years each and until successors are appointed and qualified. Before entering upon their duties the members shall each take and subscribe to the constitutional oath of office, which shall be filed in the office of the Secretary of State. The board shall elect from its membership a chairman. The members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties.

Section 3. (1) The Parks Board shall act in an advisory capacity to the Commissioner of Parks in regard to the planning, development, operation, and administration of the state park system. It shall also act in an advisory capacity to the Commissioner of Parks in regard to the establishment and revision of park standards and on the acquisition of land, properties or sites for state and national parks.

(2) All of the functions of the National Park Commission relating to acquiring and conveying lands to the United States for the establishment of national parks in Kentucky; receiving grants and contributions; and establishing regulations for administration and disposition of property prior to conveyance thereof to the United States, provided in KRS 148.110, 148.120, 148.130, 148.140, and 148.150 are hereby transferred to the Parks Board.

Section 4. The records, property, and any funds held by the National Park Commission are hereby transferred to the Parks Board.

Section 5. (1) The Department of Parks shall exercise all administrative functions of the state relating to the operation of parks, shrines, monuments, and museums except those allocated to the Historical Society.

(2) All of the functions of the Division of Parks relating to acquiring park property; improving and operating parks, fixing fees and charges for the use of parks; establishing and posting regulations; and commissioning park custodians and employes as peace officers, provided in KRS 148.010, 148.020, 148.030, 148.040, 148.055, 148.060, 148.070, and 148.085 are hereby transferred to and shall be exercised by the Department of Parks.

(3) The Department of Parks is authorized to cooperate with counties, cities and other political subdivisions of the Commonwealth and with civic and other public service organizations in the planning and promotion of recreational activities.

(4) The Department of Parks is authorized to accept on behalf of the state any grant or contribution, federal or otherwise, to assist in meeting the cost of carrying out the functions assigned to the Department of Parks in this Act.

(5) The Commissioner of Parks may employ or contract with such other persons, firms or corporations as he may deem necessary or desirable to accomplish the duties and functions assigned by law to the Department of Parks; may fix the compensation and the terms of employment or contract of those employed or contracted with; and may assign to them such duties and responsibilities as he may determine; provided, however, that any contract shall be approved by the Commissioner of Finance before it shall become effective.

Section 6. The records, property, personnel, and any unexpended appropriations balances, and trust and agency funds maintained for carrying out the functions of the Division of Parks are hereby transferred to the Department of Parks.

Section 7. Subsection (1) (a) of Section 146.010 and Sections 146.040, 146.070, 146.130, 146.140, 146.150, 146.160, 148.090, 148.100, and 148.200 of the Kentucky Revised Statutes are hereby repealed.

Section 8. Section 146.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Conservation shall be headed by a Commissioner of Conservation whose annual salary shall be determined under Section 64.640 of the Kentucky Revised Statutes.

(2) The department shall be divided into a Division of Forestry, a Division of Soil and Water Resources, a Division of Strip Mining and Reclamation and the Flood Control and Water Usage Board.

ARTICLE XI. DIVISION OF BUSINESS AND PROFESSIONAL REGULATION.

Section 1. (1) There shall be established in the Department of State a Division of Business and Professional Regulation.

(2) The head of the division shall be appointed by the Secretary of State in accordance with the provisions of KRS 12.050.

Section 2. (1) All of the functions of the Department of Business Regulation relating to prize-fighting and wrestling contained in Chapter 229 of the Kentucky Revised Statutes are hereby transferred to and shall be exercised by the Division of Business and Professional Regulation.

(2) (a) The Division of Business and Professional Regulation is authorized to provide clerical, secretarial or other administrative services to any board established by law for the purpose of licensing, registration, examination or regulation of a business or a profession.

(b) Such services shall be provided upon the request of the board and upon the approval of the Secretary of State.

(c) The Division of Business and Professional Regulation shall maintain accurate records reflecting the cost of providing such services and shall bill each board for the cost of such services on a quarterly basis.

(d) Boards receiving such services shall remit to the Division of Business and Professional Regulation payment for services received in the manner provided by law.

Section 3. The records, property, personnel and any unexpended appropriations balances and trust and agency funds maintained for the purpose of carrying out the functions of the Department of Business Regulation relating to regulation of prize-fighting and wrestling are hereby transferred to the Division of Business and Professional Regulation.

Section 4. Sections 286.010, 286.020, 286.030, and 286.070 of the Kentucky Revised Statutes are hereby repealed.

ARTICLE XII. PUBLIC SERVICE COMMISSION

Section 278.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each commissioner shall be a resident and qualified voter of this state, not less than twenty-five years of age at the time of his appointment and qualification, and shall have resided in this state for at least three years prior to his appointment and qualification. Each commissioner shall take and subscribe to the constitutional oath of office, which shall be recorded in the office of the Secretary of State.

(2) No person shall be appointed to or hold the office of commissioner who holds any official relationship to any utility, or who owns any stocks or bonds thereof, or who has any pecuniary interest therein.

(3) No commissioner shall receive any rebate, pass, percentage of contract or other thing of value from any utility.

(4) No commissioner shall engage in any occupation or business inconsistent with his duties as such commissioner.

(5) If any commissioner becomes a member of any politcal party committee, his office as commisisoner shall be thereby vacated.

ARTICLE XIII. STATE PROPERTY AND BUILDINGS COMMISSION.

Section 56.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) There is recognized, as an independent agency of the state within the meaning of Chapter 12 of the Kentucky Revised Statutes, a State Property and Buildings Commission composed of the Governor, who shall be chairman thereof, the Lieutenant Governor, the Attorney General, the Commissioner of Finance and the Commissioner of Revenue.

(2) No member of the commission shall receive any salary, fee or other remuneration for his services as a member of the commission but each member shall be entitled to be reimbursed for his ordinary traveling expenses, including meals and lodging, incurred in the performance of his duties.

(3) The commission constitutes a public body corporate with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt by-laws, have and use a corporate seal, and exercise all of the powers granted to private corporations generally in the Kentucky Revised Statutes, Chapter 271, except as the same may be inconsistent with Sections 56.440 to 56.550 of the Kentucky Revised Statutes.

(4) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, all revenue bonds issued by state agencies except those bonds issued by the state colleges or university, shall be issued under the provisions of Chapter 56 of the Kentucky Revised Statutes.

ARTICLE XIV. SOIL AND WATER RESOURCES COMMISSION.

Section 1. Section 146.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Conservation, with the approval of the Soil and Water Resources Commission, shall divide the state into nine soil and water conservation areas which shall contain as nearly equal number of soil conservation districts as practicable.

(2) The Soil and Water Resources Commission shall consist of nine members, not more than five of whom shall be of the same political party, to be appointed by the Commissioner of Conservation with the approval of the Governor.

(3) One member shall be appointed from each of the areas from a list of two names submitted from each such area by the supervisors of the soil conservation districts that have their principal offices therein. All members shall be supervisors of soil conservation districts.

(4) The term of office of each such member shall be four years except that as to the members first appointed, the Commissioner of Conservation shall designate three members for terms of two years, three for three years, and three for four years; provided that, whenever a member of the commission ceases to hold the office of district supervisor by virtue of which he is serving on the commission, his term of office as a member of the commission shall be terminated. In the case of any vacancy other than one caused by the expiration of a term, the Commissioner of Conservation, with the approval of the Governor, shall appoint the successor from a list of two names submitted by the supervisors of the soil conservation area which was represented by the former member. The successor shall also be a supervisor of a soil conservation district.

(5) The members of the commission shall designate a chairman from among their members and may from time to time change such designation. The commission shall keep a record of its official actions. A majority of the commission shall constitute a quorum. The commission may call upon the Attorney General for such legal services as it may require. It may delegate to its chairman, any of its members, the director of the division or any officer, employe, or agent, such powers and duties as it deems proper. Members of the commission shall receive no compensation for their services, but shall be entitled to expenses, including traveling expenses, necessarily incurred in discharging their duties.

(6) The following persons are advisory members of the commission by virtue of their offices: the Commissioner of Conservation, the Commissioner of Agriculture, the Director of the Agricultural Experiment Station, the Director of Vocational Education, and the State Conservationist of the United States Department of Agriculture.

Section 2. Section 146.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Conservation, with the approval of the Soil and Water Resources Commission, shall appoint a Director of the Division of Soil and Water Resources who shall be a graduate of a recognized agricultural college, with at least five years of practical experience in professional agricultural activities and who shall serve as executive officer for the commission. The director shall serve at the will of, and receive such compensation as may be determined by the Commissioner of Conservation with the approval of the Soil and Water Resources Commission. Before entering upon his duties, the director shall take the constitutional oath. The director shall hold no other public office or employment. In addition to any other duties assigned to him by the Commissioner of Conservation, the director shall exercise, subject to the approval of the commissioner, general administrative supervision over all activities, employes and property of the commission.

(2) The Commissioner of Conservation may employ such other offices, employes, and agents who shall serve at his will as he deems necessary, with the approval of the Soil and Water Resources Commission, and shall provide for surety bonds for members, the director, officers, employes or agents if entrusted with funds or property.

Section 3. Section 146.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) The commission shall have the general power to take any action it may consider necessary or proper to assist soil conservation districts in carrying out their functions, powers, duties and programs in accordance with the Kentucky Soil Conservation Districts Law, and for such purpose it may furnish financial and other aid to the districts and perform such services for them at their request as may be possible under available appropriations and resources.

(2) The commission has all the powers and duties formerly possessed by the State Soil Conservation Committee.

(3) The commission shall take any action it may consider necessary or proper in order to discharge for the state any of the state's functions, responsibilities or duties relating to flood control, drainage and other activities with respect to the conservation, utilization or control of soil or water resources.

(4) The commission may prescribe such rules and regulations as may be necessary to the performance of its duties and may enter into and execute any agreements or legal instruments that may be necessary for such purpose and it shall have the authority to acquire necessary supplies, materials and equipment, and warehousing, servicing and maintenance facilities for such equipment.

Section 4. All of the functions of the State Soil Conservation

Committee provided in Chapter 262 of the Kentucky Revised Statutes are hereby transferred to and shall be exercised by the Soil and Water Resources Commission.

Section 5. Section 262.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) A supervisor's term begins on January 1 following his election. The three supervisors elected with the highest number of votes in the general election of 1960 shall serve for four years; the other two supervisors elected in 1960 shall serve for two years. In the event only five nominating petitions for supervisors are filed, the commission shall declare the nominees elected without an election, and shall name three of the nominees to serve terms of four years, and two to serve terms of two years. In 1962 two supervisors shall be elected for four years and thereafter supervisors shall be elected for four years and thereafter supervisors shall be elected for four years as their terms expire. Nominating petitions for supervisors shall be filed with the commission not less than forty-five days prior to the day of the election. No such nominating petition shall be accepted by the commission unless it is signed by twenty-five or more owners of land lying within the boundaries of the district. Landowners may sign more than one nominating petition to nominate more than one candidate for supervisor. In the event nominating petitions for only the number of supervisors to be elected are filed, the commission shall declare the nominees elected without holding an election. The election shall be conducted by the commission as provided for under KRS 262.220.

(2) A supervisor shall hold office until his successor has been elected and has qualified. Vacancies shall be filled for the unexpired term by appointment by the commission.

(3) A supervisor may be reimbursed for expenses necessarily incurred in the discharge of his duties and may be paid a per diem for attending meetings or otherwise discharging the obligations of his office.

(4) A supervisor shall be a resident of the district for which he is elected, and upon moving from the county in which the district is located, the supervisor shall be ineligible to serve as a supervisor and his office shall be vacant.

(5) Any supervisor may be removed by the commission upon notice and hearing for neglect of duty or malfeasance in office. A supervisor shall not be removed except pursuant to this subsection.

Section 6. Sections 262.030, 262.040, 262.050, 262.060, and 262.070 of the Kentucky Revised Statutes are repealed.

ARTICLE XV. REORGANIZATION OF STATUTORY ADMINISTRATIVE DEPARTMENTS OF STATE GOVERNMENT.

A new section to Chapter 12 of the Kentucky Revised Statutes is added to read as follows:

Recognizing the problems resulting from a rapid expansion of programs in many departments and in order to promote greater economy, efficiency and improved administration in the statutory administrative departments of State Government by grouping related functions and establishing more effective organizational patterns, both of which require extensive studies extending beyond the regular legislative session, the Governor may:

(1) Establish, abolish, or alter the organization of any statutory administrative department including changing the name of a department to explain more clearly the functions performed by it. Also included in this authority shall be permission to transfer functions, personnel, funds, equipment, facilities, and records from one department to another. Reorganization made under this section shall be set forth in an Executive Order, signed by the Governor and filed in the office of the Secretary of State, which shall explain the changes made and designate the functions, personnel, funds, equipment, facilities, and records, as applicable, to be transferred. The Governor shall recommend legislation to the 1962 General Assembly to confirm reorganizations effected under provisions of this article.

Appoint advisory or study committees to assist and recommend to him on problems concerning the various functions and departments of State Government. Members of such committees shall serve wthout pay, but shall be reimbursed for necessary and actual expenses.

ARTICLE XVI. APPROPRIATION.

To carry out the purposes of this Act, there is appropriated out of the General Expenditure Fund in the State Treasury to a special Governor's Emergency Fund the sum of $340,000 for the 1960-61 fiscal year, and the sum of $365,000 for the 1961-62 fiscal year.

ARTICLE XVII. GENERAL PROVISIONS

Section 1. Nothing in this Act shall be construed to repeal the provisions of Chapter 12 of the Kentucky Revised Statutes, except those sections specifically repealed by this Act.

Section 2. In order that appropriate accounts and budgets may be established, all transfers of funds, functions, personnel, records, and facilities, made pursuant to this Act shall be supervised and approved by the Commissioner of Finance.

Section 3. All provisions of this Act, except Article XI, shall become operative July 1, 1960. Article XI shall become operative immediately upon passage and approval of this Act by the Governor.

ARTICLE XVIII. EMERGENCY CLAUSE.

Whereas it is necessary that certain provisions of this Act become effective immediately, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 445, AN ACT relating to amphetamine drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context requires otherwise:

(1) "Amphetmine" means any drug consisting in whole or in part of racemic amphetamine sulphate, dextra amphetamine sulphate, methentermine, methamphetamine, or any other drug designated by regulation of the State Board of Health and State Board of Pharmacy, or any salt of any of these compounds; except preparations for use in the nose and unfit for internal use.

(2) "Practitioner" means a person licensed under the professional licensing laws of this state to prescribe and administer medicines and drugs.

(3) "Pharmacist" means a person licensed as a pharmacist under the pharmacy licensing law of this state.

Section 2. It shall be unlawful for any person to possess, manufacture, sell, dispense, prescribe or administer any amphetamine except as authorized in this Act.

Section 3. A pharmacist may sell, dispense, and furnish any amphetamine only upon the prescription of a practitioner and then only if the container of such amphetamine bears a label showing the name and address of the pharmacy or pharmacist; the name of the person for whom the amphetamine was prescribed; the date of filling the prescription; and if an animal the species and owner of the same.

Section 4. A practitioner may possess amphetamines in reasonable amounts, and deliver and dispense same to his patients in the general course of his practice provided the container in which such amphetamines are dispensed bears a label showing the name of the practitioner, the name of the person for whom prescribed, date, and directions for use. If prescribed for an animal, the specie and name of the owner shall be shown on the label.

Section 5. Wholesalers and manufacturers may possess amphetamines for manufacturing and may sell, and deliver same at wholesale, accompanied in each case with an invoice or bill of sale, to the following:

(1) Pharmacists;

(2) Practitioners;

(3) For lawful research, teaching or testing, and not for resale;

(4) Hospitals and institutions where distribution is directed by practitioners;

(5) Federal, state, and local governments;

(6) Manufacturers and other wholesalers.

Section 6. A person to whom or for whose use any amphetamine has been prescribed, sold, or dispensed, by a practitioner or pharmacist, and the owner of any animal for which any amphetamine has been prescribed, sold, or dispensed by a practitioner or pharmacist may lawfully possess it only in the container in which it was delivered to him by the practitioner or pharmacist.

Section 7. This Act shall be administered jointly by the State Department of Health and the State Board of Pharmacy, and their authorized agents. The State Board of Health and the State Board of Pharmacy shall make such rules and regulations as are deemed necessary to carry out the intent and purpose of this Act.

Section 8. (1) It is hereby made the duty of the State Department of Health and the State Board of Pharmacy, their officers, agents, inspectors, and representatives, and of all peace officers within the state, and of all city, county, and Commonwealth attorneys, and the Attorney General, within their respective jurisdictions, to enforce all provisions of this Act and to cooperate with all agencies charged with the enforcement of the laws of the United States, of this state, and of all other states relating to amphetamines.

(2) For the purpose of enforcing the provisions of this Act, the investigators, inspectors, representatives, and agents of the State Department of Health and the State Board of Pharmacy shall have the full power and authority of peace officers in this state, including the power of arrest and the authority to bear arms, and shall have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, to interrogate all persons, to require the production of prescriptions, of books, papers, documents, or other evidence, to employ special investigators and to expend funds for the purpose of obtaining evidence. Investigators, inspectors, representatives and agents of the State Department of Health and the State Board of Pharmacy are empowered to remove from the files of any apothecary or other custodian any amphetamine prescription upon tendering a receipt therefor.

(3) It shall be the duty of the State Department of Health to make or cause to be made examinations of samples secured under the provisions of this Act to determine whether or not any provision thereof has been violated.

Section 9. Any person who possesses, manufactures, sells, dispenses, prescribes or administers any amphetamine drug, except as authorized in this Act, shall be punished by confinement in the county jail for not less than six months nor more than one year, or by a fine of not less than three hundred dollars nor more than five hundred dollars, or both, and each violation shall constitute a separate offense.

HB 456, AN ACT relating to sewer construction districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any sewer construction district created in the manner provided in KRS 76.300 to 76.325 is exempt from the provisions of KRS 76.085, subsection (2) and (3) except when said sewer construction district empties its affluent into mains or plants operated by Metropolitan Sewer District.

SB 271, AN ACT relating to the Board of Trustees of the University of Kentucky, amending Sections 164.130 and 164.170 of the Kentucky Revised Statutes, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 164.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The government of the University of Kentucky is vested in a Board of Trustees consisting of the Governor, who shall be Chairman of the Board, the Superintendent of Public Instruction, the Commissioner of Agriculture, Labor and Statistics, twelve competent citizens of Kentucky appointed by the Governor, and two non-voting members of the teaching faculty of the University of Kentucky. The terms of appointed members shall be for four years and until their successors are appointed and qualify. Three of the twelve appointed members shall be appointed each year. Three of the appointed members shall be representative of agriculture interests, three shall be alumni of the University and six shall be other distinguished citizens of the state representative of the learned profession. The Governor shall so make the appointments as to divide the representation upon the board, including the ex officio members, as nearly equally as possible between the two leading political parties of this state. Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for original appointments.

(2) The non-voting faculty members shall be teaching or research members of the faculty of the University of Kentucky of the rank of assistant professor or above. They shall be elected by secret ballot by all faculty members of the University of the rank of assistant professor and above. Faculty members shall serve for terms of three years and until their successors are elected and qualify except that of the first two members elected one shall serve for a term of two years and one for a term of three years. Faculty members shall be eligible for re-election, but they shall be ineligible to continue to serve as members of the Board of Trustees if they cease to be members of the teaching staff of the University. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

(3) No member of the Board of Trustees shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment or services, with exception of compensation to the two faculty members.

Section 2. Section 164.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Board of Trustees of the University shall meet on Tuesday preceding the regular annual commencement of the University, on the third Tuesday in September, on the second Tuesday in December, and on the first Tuesday in April of each year. Special meetings may be called by the Chairman or by any three members upon giving ten days' written notice to each member of the Board of Trustees. The business to be transacted at special meetings shall be specified in the notice of the meeting. All meetings shall be held on the campus of the University unless otherwise specified by a majority vote of the Board of Trustees. A majority of the voting members of the Board of Trustees shall constitute a quorum. All necessary expenses incurred by the trustees in going to, returing from and while attending meetings of the Board of Trustees shall be paid out of the funds of the University.

(2) The meetings of the Board of Trustees shall be open to the public. The Board of Trustees shall cause a stenographic transcript of each of its meetings to be prepared and filed. An agenda for each of the meetings shall be sent to each member of the Board of Trustees and a copy thereof made available to the press.

Section 3. An emergency is hereby declared to exist and this Act shall become effective when passed and approved.

SB 272, AN ACT relating to bonds of state officers and employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 62.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Finance shall secure, except for state officers required by KRS 62.160 to file bond, blanket bonds, with or without cosureties, written on a blanket position form, to cover all other officers, employes or deputies of the Commonwealth of Kentucky, including all other members of boards or commissions or employes of such boards or commissions, and including all superintendents, receivers or employes of penal or eleemosynary institutions managed or directed by the Department of Welfare or any other department or agency of the Commonwealth of Kentucky. Nothing in this paragraph shall be deemed to prohibit the securing of any such blanket position bond on a department, board, commission, agency or institutional basis.

(2) The Commissioner of Finance may secure one or more excess blanket bonds, with or without cosureties, to cover selected groups of persons covered by the bond or bonds required in the preceding paragraph to provide additional coverage which he may deem necessary by the exposures indicated in accordance with the duties and responsibilities indicated by the personnel classification schedules of the Division of Personnel Efficiency and in accordance with the amounts of money and property handled by the respective officers and employes.

(3) Such bond or bonds shall be written by and participated in only by insurance companies licensed by the Department of Insurance to do business in this state and shall be countersigned by a duly authorized licensed resident agent of the company. Such bonds may be written with or without cosureties. Further, such bonds are to be a percentage of the total risks, the Department of Insurance to approve the amount of the risk written by any one company.

(4) The penal amount of the bond secured pursuant to this section shall be fixed by the Commissioner of Finance in accordance with the duties and responsibilities indicated by the personnel classifaction schedules of the Division of Personnel Efficiency, and in accordance with the amounts of money and property handled by the respective officers and employes.

SB 273, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 56.100 of the Kentucky Revised Statutes is amended to read as follows:

Each fiscal year the State Treasurer shall deduct from any funds in his hands payable to an agency for the care and maintenance of public building or property, an amount equal to the premiums certified to him as chargeable against that agency. The amount so debited shall be credited to an account kept by the State Treasurer and known as the State Fire and Tornado Insurance Fund. No premium shall be charged on any one subject or risk upon a valuation of more than three hundred thousand dollars unless the Department of Insurance has contracted for reinsurance that limits the liability of the fund to three hundred thousand dollars upon such subject of risk.

Section 2. Section 56.120 of the Kentucky Revised Statutes is amended to read as follows:

When the amount of damage has been determined, the State Treasurer shall debit the account of the State Fire and Tornado Insurance Fund by that amount and credit with an equal amount the account of the agency that has control or custody of the property damaged, and upon warrant from the Department of Finance the Treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If the agency deems it impracticable or undesirable to use the money for repair, reconstruction or replacement of the property damaged or destroyed, it may, with the approval of the Department of Finance, and subject to the provisions of KRS 56.490, expend said funds for the acquisition, repair, construction or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one subject of risk, by any one loss, shall be in excess of three hundred thousand dollars, unless the Department of Insurance has effected reinsurance upon the subject of risk such as to the limit of liability of the State Fire and Tornado Insurance Fund to three hundred thousand dollars, and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 3. Section 56.160 of the Kentucky Revised Statutes is amended to read as follows:

With the approval of the Department of Finance, the Department of Insurance may contract with any responsible fire and tornado insurance or reinsurance company authorized to do business in Kentucky to reinsure any subject of risk of which the total valuation has been fixed at over three hundred thousand dollars in such a way as to limit the net liability of the State Fire and Tornado Insurance Fund with respect to such subject of risk to three hundred thousand dollars. The premium for reinsurance shall be paid out of the State Fire and Tornado Insurance Fund, on warrant of the Department of Finance.

SB 274, AN ACT relating to interstate cooperation in the field of nuclear energy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) "Compact" means the Southern Interstate Nuclear Compact;

(2) "Board" means the Southern Interstate Nuclear Board.

Section 2. The Southern Interstate Nuclear Compact is enacted into law and entered into by the Commonwealth of Kentucky as a party, and is of full force and effect between the Commonwealth and any other states joining therein in accordance with the terms of the compact. The compact is substantially as follows:

ARTICLE 1. POLICY AND PURPOSE

The party states recognize that the proper employment of nuclear energy, facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy for the region. They also recognize that optimum benefit from the acquisition of nuclear resources and facilities requires systematic encouragement, guidance, and assistance from the party states on a cooperative basis. It is the policy of the party states to undertake such cooperation on a continuing basis; it is the purpose of this compact to provide the instruments and framework for such a cooperative effort to improve the economy of the South and contribute to the individual and community well being of the region's people.

ARTICLE II. THE BOARD

(a) There is hereby created an agency of the party states to be known as the "Southern Interstate Nuclear Board" (hereinafter called the Board). The Board shall be composed of one member from each party state designated or appointed in accordance with the law of the state which he represents and serving and subject to removal in accordance with such law. Any member of the Board may provide for the discharge of his duties and the performance of his functions thereon (either for the duration of his membership or for any lesser period of time) by a deputy or assistant, if the laws of his state make specific provision therefor. The federal government may be represented without vote if provision is made by federal law for such representation.

(b) The Board members of the party states shall each be entitled to one vote on the Board. No action of the Board shall be binding unless taken at a meeting at which a majority of all members representing the party states are present and unless a majority of the total number of votes on the Board are cast in favor thereof.

(c) The Board shall have a seal.

(d) The Board shall elect annually, from among its members, a chairman, a vice chairman, and a treasurer. The Board shall appoint an Executive Director who shall serve at its pleasure and who shall also act as Secretary, and who, together with the Treasurer, shall be bonded in such amounts as the Board may require.

(e) The Executive Director, with the approval of the Board, shall appoint and remove or discharge such personnel as may be necessary for the performance of the Board's functions irrespective of the civil service, personnel or other merit system laws of any of the party states.

(f) The Board may establish and maintain, independently or in conjunction with any one or more of the party states, a suitable retirement system for its full-time employees. Employees of the Board shall be eligible for social security coverage in respect of old age and survivors insurance provided that the Board takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The Board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

(g) The Board may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation.

(h) The Board may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(i) The Board may establish and maintain such facilities as may be necessary for the transacting of its business. The Board may acquire, hold, and convey real and personal property and any interest therein.

(j) The Board shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules and regulations. The Board shall publish its bylaws, rules and regulations in convenient form and shall file a copy thereof, and shall also file a copy of any amendment thereto, with the appropriate agency or officers in each of the party states.

(k) The Board annually shall make to the governor and legislature of each party state, a report covering the activities of the Board for the preceding year, and embodying such recommendations as may have been adopted by the Board. The Board may issue such additional reports as it may deem desirable.

ARTICLE III. FINANCES

(a) The Board shall submit to the executive head or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

(b) Each of the Board's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. One half of the total amount of each budget of estimated expenditures shall be apportioned among the party states in equal shares; one quarter of each such budget shall be apportioned among the party states in accordance with the ratio of their populations to the total population of the entire group of party states based on the last decennial federal census; and one quarter of each such budget shall be apportioned among the party states on the basis of the relative average per capita income of the inhabitants in each of the party states based on the latest computations published by the federal census-taking agency. Subject to appropriation by their respective legislatures, the Board shall be provided with such funds by each of the party states as are necessary to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Board.

(c) The Board may meet any of its obligations in whole or in part with funds available to it under Article II (h) of this compact, provided that the Board takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the Board makes use of funds available to it under Article II (h) hereof, the Board shall not incur any obligation prior to the allotment of funds by the party jurisdictions adequate to meet the same.

(d) Any expenses and any other costs for each member of the Board in attending Board meetings shall be met by the Board.

(e) The Board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Board shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Board shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the Board.

(f) The accounts of the Board shall be open at any reasonable time for inspection.

ARTICLE IV. ADVISORY COMMITTEES

The Board may establish such advisory and technical committees as it may deem necessary, membership on which to include but not to be limited to private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, medicine, education, voluntary health agencies, and officials of local, state and federal government, and may cooperate with and use the services of any such committees and the organizations which they represent in furthering any of its activities under this compact.

ARTICLE V. POWERS

The Board shall have power to:

(a) Ascertain and analyze on a continuing basis the position of the South with respect to nuclear and related industries.

(b) Encourage the development and use of nuclear energy facilities, installations, and products as part of a balanced economy.

(c) Collect, correlate and disseminate information relating to civilian uses of nuclear agency, materials and products.

(d) Conduct, or cooperate in conducting, programs of training for state and local personnel engaged in any aspects of

(1) Nuclear industry, medicine, or education or the promotion or regulation thereof.

(2) The formulation or administration of measures designed to promote safety in any matter related to the development, use of disposal of nuclear energy, materials, products, installations, or wastes.

(e) Organize and conduct, or assist and cooperate in organizing and conducting, demonstrations of nuclear product, material, or equipment use and disposal and of proper techniques or processes for the application of nuclear resources to the civilian economy or general welfare.

(f) Undertake such non-regulatory functions with respect to non-nuclear sources of radiation as may promote the economic development and general welfare of the region.

(g) Study industrial, health, safety, and other standards, laws, codes, rules, regulations, and administrative practices in or related to nuclear fields.

(h) Recommend such changes in, or amendments or additions to the laws, codes, rules, regulations, administrative procedures and practices or ordinances of the party states in any of the fields of its interest and competence as in its judgment may be appropriate. Any such recommendation shall be made through the appropriate state agency with due consideration of the desirability of uniformity but shall also give appropriate weight to any special circumstances which may justify variations to meet local conditions.

(i) Prepare, publish and distribute, (with or without charge) such reports, bulletins, newsletters or other material as it deems appropriate.

(j) Cooperate with the Atomic Energy Commission or any agency successor thereto, any other officer or agency of the United States, and any other governmental unit or agency or officer thereof, and with any private person or agencies in any of the fields of its interests.

(k) Act as licensee of the United States Government or any party state with respect to the conduct of any research activity requiring such license and operate such research facility or undertake any program pursuant thereto.

(1) Ascertain from time to time such methods, practices, circumstances, and conditions as may bring about the prevention and control of nuclear incidents in the area comprising the party states, to coordinate the nuclear incident prevention and control plans and the work relating thereto of the appropriate agencies of the party states and to facilitate the rendering of aid by the party states to each other in coping with nuclear incidents. The Board may formulate and, in accordance with need from time to time, revise a regional plan or regional plans for coping with nuclear incidents within the territory of the party states as a whole or within any subregion or subregions of the geographic area covered by this compact.

ARTICLE VI. SUPPLEMENTARY AGREEMENTS

(a) To the extent that the Board has not undertaken an activity or project which would be within its power under the provisions of Article V of this compact, any two or more of the party states (acting by their duly constituted administrative officials) may enter into supplementary agreements for the undertaking and continuance of such an activity or project. Any such agreement shall specify its purpose or purposes; its duration and the procedure for termination thereof or withdrawal therefrom; the method of financing and allocating the costs of the activity or project; and such other matters as may be necessary or appropriate. No such supplementary agreement entered into pursuant to this article shall become effective prior to its submission to and aproval by the Board. The Board shall give such approval unless it finds that the supplementary agreement or the activity or project contemplated thereby is inconsistent with the provisions of this compact or a program or activity conducted by or participated in by the Board.

(b) Unless all of the party states participate in a supplementary agreement, any cost or costs thereof shall be borne separately by the states party thereto. However, the Board may administer or otherwise assist in the operation of any supplementary agreement.

(c) No party to a supplementary agreement entered into pursuant to this article shall be relieved thereby of any obligation or duty assumed by said party state under or pursuant to this compact, except that timely and proper performance of such obligation or duty by means of the supplementary agreement may be offered as performance pursuant to the compact.

ARTICLE VII. OTHER LAWS AND REGULATIONSHIPS

Nothing in this compact shall be construed to:

(a) Permit or require any person or other entity to avoid or refuse compliance with any law, rule, regulation, order or ordinance of a party state or subdivision thereof now or hereafter made, enacted or in force.

(b) Limit, diminish, or otherwise impair jurisdiction exercised by the Atomic Energy Commission, any agency successor thereto, or any other federal department, agency or officer pursuant to and in conformity with any valid and operative act of Congress.

(c) Alter the relations between the respective internal responsibilities of the government of a party state and its subdivisions.

(d) Permit or authorize the Board to exercise any regulatory authority or to own or operate any nuclear reactor for the generation of electric energy; nor shall the Board own or operate any facility or installation for industrial or commercial purposes.

ARTICLE VIII. ELIGIBLE PARTIES, ENTRY INTO FORCE AND WITHDRAWAL

(a) Any or all of the states of Alabama, Arkansas, Delaware, Florida, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia shall be eligible to become party to this compact.

(b) As to any eligible party state, this compact shall become effective when adopted into law as provided by the law of the various party states; provided that it shall not become initially effective until enacted into law by seven states.

(c) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall become effective until the governor of the withdrawing state shall have sent formal notice in writing to the governor of each other party state informing said governors of the action of the legislature in repealing the compact and declaring an intention to withdraw.

ARTICLE IX. SEVERABILITY AND CONSTRUCTION

The provisions of this compact and of any supplementary agreement entered into hereunder shall be severable and if any phrase, clause, sentence or provision of this compact or such supplementary agreement is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact or such supplementary agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact or any supplementary agreement entered into hereunder shall be held contrary to the constitution of any state participating therein, the compact or such supplementary agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this compact and of any supplementary agreement entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

Section 3. The board member from Kentucky shall be the chairman of the Advisory Committee on Nuclear Energy, when approved by the Governor; otherwise, the Governor shall appoint the member. The member may name the Director of the Division of Nuclear Information, or another person as his deputy or assistant.

Section 4. Any employee or group of employees designated by the board shall be considered a state department for the purposes of participation in the Kentucky Employees Retirement System when approved by the Commissioner of Finance.

Section 5. Any supplementary agreement entered into under Article VI of the compact, requiring the expenditure of funds shall not become effective as to the Commonwealth until the required funds are appropriated by the General Assembly.

Section 6. The departments, boards, agencies, commissions, officers and employees of the Commonwealth and its subdivisions are authorized to cooperate with the board in the furtherance of any of its activities pursuant to this Compact.

Section 7. To carry out the purposes of this Act, there is appropriated out of the General Expenditure Fund a sum equal to Kentucky's share of board needs as determined by Article III of the compact, for the fiscal years 1960-61 and 1961-62. This sum shall not be greater than $5,000 in either fiscal year and the money shall not be expended until the board has come into existence as provided by the terms of the compact.

HB 268, AN ACT relating to limitation of retail liquor licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 241.065 of the Kentucky Revised Statutes is amended to read as follows:

(1) The number of retail package licenses issued by the Alcoholic Beverage Control Board to licenses in counties of the Commonwealth shall not exceed a number equal to one for every 2500 persons resident in such county.

(2) The number of retail drink licenses issued by the Alcoholic Beverage Control Board in counties of the Commonwealth shall not exceed a number equal to one for every 2500 persons resident in such county.

(3) In order that a fixed and approved standard of population as prescribed in subsection (1) and (2) of this regulation may be adopted, the annual estimates of population as determined by population estimates for Kentucky counties prepared by the Agricultural Experiment Station, University of Kentucky, Lexington, Kentucky, shall be used in every year except a census year. The United States Government census figures of population shall be used in a census year.

(4) The limitation on the number of licenses to sell retail liquor by the package and drink provided for in this Act, shall not apply to any existing licenses or to the renewal of existing licenses or to the transfer thereof.

If the number of retail liquor by package or drink licenses in any county exceeds the number provided for by this Act, the number of such licenses shall be reduced upon the revocation or surrender of such license.

SB 276, AN ACT relating to boards of education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any board of education may appoint a fiscal officer. The person so appointed shall not be the same as the superintendent of schools. The fiscal officer shall serve at the pleasure of the board, his qualifications and salary shall be determined by the board, and the board may require him to give such bond as it deems necessary. If the bond is executed by a surety company, the board shall pay the premium.

Section 2. The fiscal officer of a board of education shall be responsible for the expenditure of all school board funds. No funds shall be expended except on a warrant signed by the fiscal agent. The fiscal agent may determine the accounting and internal audit systems to be used by the board.

SB 277, AN ACT relating to utilities operated by cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 96.150 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any city that owns or operates a water supply system may extend the system into, and furnish and sell water to any person within, any territory contiguous to the city that lies within five miles of the corporate limits, and may install within that territory necessary apparatus. For this purpose the city may condemn or otherwise acquire franchises, rights and right of ways, as private corporations may do.

(2) Notwithstanding any rule or regulation of the Public Service Commission heretofore or hereafter in force the city may, as a condition precedent to the extension of its system and the furnishing of water in the territory described in subsection (1) hereof, require the person requesting such service to pay all of the cost of construction necessary to provide service to him, including the cost of extending mains, the furnishing and installing of a service pipe from the main to such person's property line, and the cost of furnishing and installing a water meter or meter accessories. Such construction cost shall not be considered income to the city for rate-making purposes. In addition thereto such city may require such person to pay a tap-in charge for connection to an existing water main, provided, however, that such tap-in charges shall be used by such city solely for the purpose of refunding the cost of extending mains theretofore paid for by other persons, and provided, further, that no tap-in charges shall be made after ten years from the date of the construction of such main.

SB 269, AN ACT providing for the conduct of public business in public.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No resolution, rule, regulation or formal action of any kind, of any board or commission of any state agency or authority, or of any agency or authority of any county, town, municipal corporation, school district, or other political subdivision shall be adopted at any executive session of any board or commission, or of any such agency or authority, unless otherwise provided by law, and all official meetings of such board, commission or authority are declared to be public meetings open to the public at all times; however, boards, commissions, agencies and authorities are not hereby prohibited from meeting in executive sessions if the full minutes of their proceedings are made public.

Section 2. The minutes of a regular or special session or meeting of any board or commission of any such agency or authority shall be promptly recorded and such records shall be open to public inspection.

Committee Substitute for **SR 7**, A JOINT RESOLUTION relating to the medical school at the University of Kentucky.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the University of Kentucky medical school be named and known as the "University of Kentucky College of Medicine."

SB 243, AN ACT relating to publications containing paid advertisements.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any person publishing a newspaper, magazine, journal, periodical, program or other printed matter in the state which contains paid advertisements shall place a masthead on a page of the publication. The masthead shall include the title of the publication, the ownership and management, subscriptions and advertising rates, and an estimate of the total number of copies of each issue or edition that are expected to be printed and sold.

Section 2. Any person who fails to comply with this Act or who knowingly and willfully falsifies the number of copies printed on the masthead shall be fined five thousand dollars or imprisoned in the penitentiary for no more than two years, or both.

HB 413, AN ACT relating to municipal colleges in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 165.160 of the Kentucky Revised Statutes is amended to read as follows:

(1) Cities of the second class may establish or acquire by lawful conveyance municipal colleges for the purpose of promoting public education. A college in a city of the second class shall not constitute a municipal college or receive support as provided in KRS 165.170 to 165.190 unless it is controlled by a board of trustees appointed by the mayor and legislative body of the city, and unless its principal work is the maintenance of courses affording instruction in such arts, sciences and professions and conferring such certificates of attainment as are authorized by other similar institutions of learning above the high school grade.

(2) If the college is supported by a Municipal College Support District, three members of the board of trustees mentioned in subsection (1) shall be appointed by the governing body of the district.

Section 2. Section 165.170 of the Kentucky Revised Statutes is amended to read as follows:

The legislative body of any city of the second class that has a municipal college may, after an election as required by section 184 of the Constitution, annually levy and collect, for the support of the municipal college, a tax of not less than five nor more than fourteen cents on each one hundred dollars' worth of property subject to taxation for city purposes. The levy of such taxes shall be made at the same time and in the same manner as other levies for city purposes. The amount levied shall be placed to the credit of the municipal college fund upon the completion of the assessment of property for taxation, and paid as collected, subject to the discount allowed on other city taxes, by the treasurer of the city to the treasurer or other financial officer of the college, for the purpose of establishing, acquiring and operating the college. The taxes authorized by this section shall be construed to be school taxes and shall be in addition to all other taxes authorized by law to be used for municipal or school purposes.

Section 3. The fiscal court of a county containing a city of the second class in which is located a municipal college, having obtained the authorization of the legislative body of such city for the college to accept tax support from a Municipal College Support District and for appointment of three members of the college board of trustees by the governing body of the district, may establish a Municipal College Support District consisting of the territory in the county outside the limits of the city in which is located the college. The members of the fiscal court shall constitute the governing body of the district. Subject to the provisions of subsection (2), the district may levy a tax of not less than five or more than fourteen cents on each one hundred dollars of the assessed valuation of all property in the district. The funds raised by this tax shall be used solely to support the college.

(2) A certified copy of the order of the fiscal court creating the district shall be filed by the governing body of the district with the county clerk at least forty-five days before a regular election and the clerk shall cause the question whether the tax is to be imposed to be placed upon the ballots to be given to voters residing in the district. The question shall be so phrased as to ask the voter whether he favors the imposition of a tax of not less than five or more than fourteen cents on each one hundred dollars of the assessed valuation of all property in the district for the purpose of supporting the municipal college in the second class city in the county. If a majority of those voting on the question favor the imposition of the tax, the governing body of the district shall levy the tax.

(3) The sheriff shall collect the taxes due the district at the same time and in the same manner in which he collects the state and county ad valorem tax. He shall be allowed a fee not to exceed four percent for collection of this tax. The money collected shall be paid to the college board of trustees.

Section 4. The board of trustees of a municipal college in a city of the second class may acquire, by purchase or gift, lands and improvements for the purpose of expanding the plant and extending the usefulness of the college, and when unable to agree with the owner of land and improvements necessary for the purposes of the college may proceed to condemn the land and improvements. The condemnation proceedings shall be conducted in the manner provided by KRS 416.230 to 416.310.

HB 151, AN ACT relating to the operation of spray painting equipment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this chapter unless the context requires otherwise:

(1) "Commissioner" means the Commissioner of Agriculture, Labor and Statistics; and

(2) "Board" means the State Board of Agriculture; and

(3) "Department" means the Department of Agriculture, Labor and Statistics; and

(4) "Owner" means any individual, firm, partnership, corporation, organization, association, or any combination thereof who owns

a business for the purpose of applying paint to structures by means of spray equipment of any kind.

(5) "Structure" means residence, barn, storehouse, garage, outbuilding of any kind, or fence.

Section 2. Any resident of the Commonwealth of Kentucky engaged in the business of applying paint to any structure by means of spray equipment within the Commonwealth shall, before engaging in such business, register with the department and pay an annual license fee of ten dollars. Non-residents shall register with the department and pay an annual license fee of fifty dollars plus ten dollars for each unit of operation in excess of one before engaging in such business. An additional license shall be required for each such place of business maintained.

Section 3. The board shall have the power to promulgate reasonable rules and regulations concerning the following matters:

(1) Standards of materials used;

(2) Standards of application and workmanship;

(3) Proper safety precautions;

(4) Requirements for contractual responsibilities and fulfillment of agreements;

(5) Proof of financial responsibility;

(6) Furnishing of information necessary for the proper administration of this Act; and

(7) Any other matter necessary for the proper administration of this Act.

Section 4. The duly authorized agents of the department shall have all the power of peace officers in administering the provisions of this Act.

Section 5. Licenses may be suspended or revoked by the commissioner for the following causes:

(a) Making or causing to be made misrepresentations for the purpose of defrauding the public.

(b) Failing to pay any final judgment rendered by reason of liabilities resulting from activities prescribed by this Act.

(c) Refusal to provide the department with reasonable information upon request.

(d) Any other conduct that constitutes improper, fraudulent, or dishonest dealing.

(e) Any violation of this act or any regulation promulgated thereunder.

Section 6. The commissioner shall conduct a public hearing on the question of revocation or suspension of a spray painter's license.

The owner of such license shall be given notice in writing not less than ten days prior to the date of such hearing, by registered and prepaid mail. The owner may appear in person, with counsel at such hearing.

Section 7. If the license is to be revoked or suspended, or if an application for license is refused, the commissioner shall notify the applicant or owner within ten days after such decision is made. The applicant may within fifteen days appeal to the circuit court in the county in which he intends to operate his business. If appeal is taken the decision by the commissioner shall not become final until final adjudication by the circuit court. The commissioner may, however, require the posting of a reasonable bond pending final adjudication.

Section 8. In the event of any change in ownership in a spray painting business, the new owner shall, within thirty days of acquiring ownership, make application for a spray-painting license in conformity with the provisions of this Act. If the application is approved, no further license fee shall be required for the period covered by the license issued to the former owner.

Section 9. This Act shall not apply to any individual working on his own premises or to regular employes working on the property of their employer.

Section 10. All license fees and all other fees collected under this Act shall be paid into the State Treasury to the credit of a revolving fund for the use of the department in carrying out the provisions of this Act.

Section 11. Any person violating any of the provisions of this Act shall be fined not less than one hundred dollars nor more than five hundred dollars, and imprisoned not more than one year, or both. Each violation shall be deemed a separate offense.

HB 271,, AN ACT relating to the filing of minimum resale prices of alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 244.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) All licensees who have filed fair trade contracts with the department may file amendments to those contracts, effecting any changes in the stipulated minimum resale price contained in the original contract filed.

(2) Amendments which change the resale price shall be filed 60 days before such amendments become effective. Notice of change

of prices must be given to retailers by direct mail or by publication in a trade journal received by all retailers at least thirty days prior to the effective date of such change in prices.

HB 389, AN ACT relating to the disposition of unclaimed property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Kentucky Revised Statute 393.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Banking organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, or a private banker engaged in business in this state.

(b) "Business association" means any corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals.

(c) "Financial organization" means any savings and loan association, building and loan association, credit union, cooperative bank, or investment company, engaged in business in this state.

(d) "Life insurance corporation" means any corporation or association transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

(e) "Claim" means to demand payment or surrender of property from the person whose duty it is to pay the claimant, or surrender to him the property involved.

(f) "Commissioner" means the Commissioner of Revenue.

(g) "Department" means the Department of Revenue.

(h) "Person" means any individual, state or national bank, partnership, joint stock company, business, trust, association, corporation, or other form of business enterprise, including a receiver, trustee or liquidating agent.

(2) This chapter does not apply to bonds of counties, cities, school districts or other tax-levying subdivisions of this state.

Section 2. (a) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than seven years after the moneys became due and payable as established from the records of the corporation under any contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding seven years, (1) assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

(b) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of corporation.

Section 3. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment or principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within seven years after the date prescribed for payment or delivery, is presumed abandoned if:

(a) It is held or owing by a business association organized under the laws of or created in this state; or

(b) It is held or owing by a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state.

Section 4. All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within seven years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary:

(a) If the property is held by a banking organization or a financial organization, or by a business association organized under the laws of or created in this state; or

(b) If it is held by a business association doing business in this state, or any agent or fiduciary acting for or under contract with a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) If it is held in this state by any other person.

Section 5. When property is paid or delivered to the department under KRS Chapter 393, KRS 271.580 or this act, the owner is not entitled to receive income or other increments accruing thereafter.

Section 6. Kentucky Revised Statute 393.060 is amended to read as follows:

The following property held or owing by a banking or financial organization is presumed abandoned:

(a) Any deposit (legal, beneficial, equitable or otherwise) payable on demand in any bank or trust company in this state, together with the interest thereon, unless the owner has within seven years:

(1) Negotiated in writing with the bank or trust company concerning it;

(2) Been credited with interest on the passbook or certificate of deposit on his request;

(3) Had a transfer, disposition of interest on other transaction noted of record in the books or records of the bank or trust company; or

(4) Increased or decreased the amount of the deposit.

(b) Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made therewith in this state, and any interest or dividends thereon, excluding any charges that may lawfully be withheld, unless the owner has within seven years:

(1) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) Corresponded in writing with the financial organization concerning the funds or deposits; or

(3) Otherwise indicated an interest in the funds or deposit, as evidenced by a memorandum on file with the financial organization.

(c) Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, certificates of deposit, drafts, and traveler's checks, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, unless the owner has within seven years corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository or agency or collateral deposit box in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than seven years from the date on which the lease or rental period expired.

Section 7. Kentucky Revised Statute 393.080 is amended to read as follows:

The following funds held or owing are presumed abandoned:

(1) Any deposit of money, stocks, bonds or other credits made to secure payment for services rendered or to be rendered, or to guarantee the performance of services or duties, or to protect against damage or harm, and the increments thereof, unless claimed by the person entitled thereto within seven years after the occurrence of the event that would obligate the holder or depository to return it to its equivalent.

(2) Any sum which a public utility has been ordered to refund and which was received for utility services rendered in this state, together with any interest thereon, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than seven years after the date it became payable in accordance with the final determination or order providing for the refund.

Section 8. Kentucky Revised Statute 393.090 is amended to read as follows:

All intangible personal property, not otherwise covered by this act, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state by any person and has remained unclaimed by the owner for more than seven years after it became payable or distributable is presumed abandoned.

Section 9. Kentucky Revised Statute 393.110 is amended to read as follows:

(1) Every person holding funds or other property, tangible or intangible, presumed abandoned under Chapter 393 of the Kentucky Revised Statutes or this act shall report to the department with respect to the property annually as of July 1. The report shall be filed in the office of the department on or before September 1 of each year for the preceding July 1, and shall give the name of the owner, his last known address, the amount and kind of property, and such other information as the department may require for the administration of this chapter. The report shall be made in duplicate; the original shall be retained by the department, and the copy shall be mailed to the sheriff of the county where the property is located or held. It shall be the duty of the sheriff to post said copy on the courthouse door

or the courthouse bulletin board, and also to publish said copy in at least one issue of a newspaper published in the county seat or, if no newspaper is published in the county, then in a newspaper of general circulation in the county. The list shall be published within thirty days of its receipt by the sheriff and this publication shall constitute compliance with the requirements of Chapter 424 of the Kentucky Revised Statutes. The cost of the publication shall be paid by the state. The sheriff shall immediately certify in writing to the department the dates when the list was posted and published. The list shall be posted and published as required on or before October 1 of the year when it is made, and such posting and publishing shall be constructive notice to all interested parties.

(2) Any person who has made a report of any estate or property presumed abandoned, as required by this chapter, shall, between November 1 and November 15 of each year, turn over to the department all property so reported; but if the person making the report or the owner of the property shall certify to the department by sworn statement that any or all of the statutory conditions necessary to create a presumption of abandonment no longer exist or never did exist, or shall certify the existence of any fact or circumstance which has a substantial tendency to rebut such presumption, then, the person reporting or holding the property shall not be required to turn the property over to the department except on order of court. If a person files an action in court claiming any property which has been reported under the provisions of this chapter, the person reporting or holding such property shall be under no duty while any such action is pending to turn the property over to the department, but shall have the duty of notifying the department of the pendency of such action.

(3) The person reporting or holding the property or any claimant thereof shall always have the right to a judicial determination of his rights under this chapter and nothing therein shall be construed otherwise; and the Commonwealth may institute an action to recover such property as is presumed abandoned whether it has been reported or not and may include in one petition all such property within the jurisdiction of the court in which the action is brought provided the property of different persons is set out in separate paragraphs.

Section 10. (1) All tangible personal property or intangible personal property, including choses in action in amounts certain, and all debts owed or entrusted funds or other property held by the Federal Agency, or any officer, or appointee thereof, shall be presumed abandoned in this state if the last known address of hte owner of the property is in this state and the property has remained unclaimed for five years.

(2) The Federal Government or any Federal Agency thereof which pays or delivers abandoned property to the department under this section is relieved of all liability to the extent of the value of

the property so paid or delivered for any claim which then exist or which thereafter may arise or be made in respect to the property.

(3) The Federal Government or any Federal Agency thereof may deduct from the amounts to be paid or delivered to the department the proportionate share of the actual and necessary costs of examining records and reporting such information.

Section 11. The department shall deduct the proportionate share of the cost, in no event less than one dollar, of the advertisement and the cost of preparing the advertisement required by Section 9 of this act from the amount of any claim allowed.

Section 12. Kentucky Revised Statute 393.130 is amended to read as follows:

Upon the payment or delivery of abandoned property to the department, the state shall assume custody and shall be responsible for the safekeeping thereof. Any person who pays or delivers abandoned property to the department under this act is relieved of all liability to the extent of the value of the property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to the property. Any holder of deposits or any life insurance company who has paid moneys to the department pursuant to this act shall make payment to any person appearing to such holder to be entitled thereto, and upon proof of such payment and proof that the payee was entitled thereto, the department shall forthwith reimburse the holed or company. Notwithstanding the provisions of KRS 393.140 posting or advertising is not required in the event payment is made to persons entitled thereto by holders of deposits of life insurance companies in compliance with this section. The claim shall be paid without deduction for the cost of advertising or services provided in Section 11 of this act.

Section 13. If specific property which is subject to the provisions of sections 3, 4, 6 and 8 of this act and Section 393.070 of the Kentucky Revised Statutes is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subject to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to this act if:

(a) It may be claimed as abandoned or escheated under the laws of such other state; and

(b) The laws of such other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by such other state when held for or owed or distributable to an owner whose last known address is within this state by a holder who is subject to the jurisdiction of this state.

Section 14. The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed abandoned property, nor affect any duty to file a report required by this act or to pay or deliver abandoned property to the department.

Section 15. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

HB 441, AN ACT relating to hazardous substances intended for household use.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the "Kentucky Hazardous Substances Labeling Act."

Section 2. As used in this Act unless the context indicates otherwise:

(1) "Board" means the State Board of Health;

(2) "Department" means the State Department of Health;

(3) "Person" includes any individual, partnership, corporation, firm or association;

(4) "Hazardous substance" means any substance or mixture of substances which is:

(a) "Toxic" and has the inherent capacity to produce bodily injury to man through ingestion, inhalation, or absorption through any body surface, including toxic substances which are poisonous;

(b) "Corrosive" on contact with living tissue causing substantial destruction of tissue by chemical action, but does not refer to action on inanimate surfaces;

(c) "Irritant" and not corrosive within the meaning of Subsection (4) (b) of this section, which on immediate, prolonged or repeated contact with normal living tissue will induce a local inflammatory reaction;

(d) "Strong sensitizer" and will cause on normal living tissue through an allergic or photodynamic process a hypersensitivity which becomes evident on reapplication of the same substance and which is designated as such by the board;

(e) "Flammable" with a flashpoint of eighty degrees Fahrenheit or below;

(f) "Radioactive" as a result of disintegration of unstable atomic nuclei and emits energy;

(g) Capable of generating pressure through decomposition, heat, or other means;

(h) Capable of causing substantial personal injury or illness during any customary or reasonably anticipated handling or use;

(5) "Label" means a display of written, printed, or graphic matter upon the immediate container of any substance, or is easily legible through the outside container or wrapper.

Section 3. A hazardous substance is hereby declared to be misbranded when intended for household use if it fails to bear a label;

(1) Which states conspicuously:

(a) The name and place of business of the manufacturer, packer, or distributor;

(b) The common or usual name, or the chemical name (if there be no common or usual name), or the recognized generic name (not trade name only) of the hazardous substance or of each component which contributes substantially to its hazard;

(c) One of the following signal words: "Danger," "Warning," or "Caution";

(d) When necessary, an affirmative statement of the principal hazard or hazards such as "Flammable," "Vapor Harmful," "Causes Burns," "Absorbed Through Skin," or similar wording descriptive of the hazard;

(e) Precautionary measures describing the action to be followed or avoided;

(f) Instructions, when necessary, for the first-aid treatment in case of contact or exposure if the substance is hazardous through contact or exposure;

(g) The word "Poison" for any toxic substance which is defined as poisonous by the rules and regulations of the board under the provisions of this Act;

(h) Instructions for handling and storage of packages which require special care in handling or storage; and

(i) The statement "Keep out of reach of children" or its practical equivalent;

(2) On which any statements required under Subsection (1) of this section are not located prominently and are not in English in legible type in contrast by typography, layout, or color, with other printed matter on the label; provided, however, that the board may by regulations provide for minimum information which shall appear on the labels for small packages, which labels need not include all of the information required by this section; provided further, that the board may provide for less than the foregoing statement of the hazard or precatuionary measures for labels of hazardous substances presenting only minor hazards· and a package shall not be deemed mis-

branded under the provisions of this Act if it is a substance subject to the Federal Insecticide, Fungicide, and Rodenticide Act (61 Stat. 163, 7 USC 135 et seq.); the Federal Food, Drug and Cosmetic Act (52 Stat. 1040 et seq., Title 21 USC 301 et seq.); the Kentucky Pesticide Act (KRS 217.540 to 217.640); the Kentucky Food, Drug, and Cosmetic Act, or to packages or substances intended for use in agriculture or horticulture for industrial or related uses.

Section 4. No person shall sell, offer for sale, distribute or transport for sale within this state in a package or container intended for general home and household use a hazardous substance which is misbranded.

Section 5. The board shall adopt rules and regulations for the proper administration and enforcement of this Act. The board may in its discretion adopt tests and standards for determination of toxic, poisonous, corrosive, irritant, flammable and radioactive properties of any hazardous substance.

Section 6. (1) Whenever a duly authorized agent of the department finds or has probable cause to believe that any hazardous substance is misbranded, within the meaning of this Act, or is dangerous to public health he shall affix to such article a tag or other appropriate marking, giving notice that such article is, or is suspected of being, misbranded or dangerous to public health and has been detained or quarantined and warning all persons not to remove or dispose of such article by sale or otherwise until permission for removal or disposal is given by such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or quarantined article by sale or otherwise without such permission.

(2) When an article detained or quarantined under Subsection (1) of this section has been found by such agent to be misbranded or dangerous to public health, he shall petition the judge of the police, county, or circuit court in whose jurisdiction the article is detained or quarantined for an order for condemnation of such article; provided, however, that nothing in this section shall require that the department or its agent shall go to court if destruction of the quarantined article is accomplished by agreement made in writing with the owner of the property. When such agent has found that an article so detained or quarantined is not misbranded or dangerous to public health, he shall remove the tag or other marking.

(3) If the court finds that a detained or quarantined article is misbranded or dangerous to public health, such article shall, after entry of the order, be destroyed at the expense of the claimant thereof under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or his agent; provided, however, that if the quarantining of the article is due only to misbranding which can be cor-

rected by proper labeling of the article, the court, after entry of the order and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article shall be so labeled has been executed, may by order direct that such article be delivered to the claimant thereof for such labeling under the supervision of an agent of the department. The expense of such supervision shall be paid by the claimant. Such bond shall be returned to the claimant of the article on representation to the court by the department that the article is no longer in violation of this Act, and that the expenses of such supervision have been paid.

Section 7. Before any violation of this Act is reported to the Commonwealth, county or city attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated may be given appropriate notice and an opportunity to present his views to the department, either orally or in writing, with regard to such contemplated proceeding. Nothing in this Act shall be construed as requiring the department to report for prosecution minor violations of the Act whenever it believes that the public interest will be best served by a suitable notice of warning in writing.

Section 8. Any person violating any provisions of this Act shall be guilty of a misdemeanor and shall on conviction be subject to a fine of not less than one hundred dollars nor more than five hundred dollars or imprisonment for not more than thirty days, or both. Each day of violation shall constitute a separate offense.

SB 197, AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of the counties to the Fourteenth District in order to comply with the meaning and intent of the Constitution with respect to division of the State into judicial districts; providing for the continuation in office of the present Circuit Judge and Commonwealth's Attorney in the Fourteenth Judicial District, and creating the office of Circuit Judge and Commonwealth's Attorney for the new district established by this Act; providing for the holding of court in each district affected by this Act.

WHEREAS, the General Assembly has given due regard to the elements of territory, business, and population involved in the division of the State into judicial districts; and,

WHEREAS, with such regard, the General Assembly has found the following facts to exist:

(1) That the entire population of the state as of the last Federal Census is 2,944,806;

(2) That upon the basis of such population, additional judicial districts may be established to those now existing pursuant to Sections 128, 132, and 138 of the Constitution;

(3) That the County of Franklin contains a city of the second

class of more than 20,000 inhabitants and has a population, including said city, of more than 40,000; that in said county there is an abnormal amount of litigation and the volume of business therein is such that, when combined with the court business of any other county, it is impossible for the court to transact its business in Franklin County without a long period of delay, inconvenience, and serious prejudice to the rights of litigants who are unable to obtain reasonably prompt disposition of their litigation;

(4) That the territory embracing the counties of Bourbon, Scott, and Woodford is such as to make it convenient and advantageous that those counties be joined in one judicial district; the population of those counties, area, and territory is such as is contemplated by the Constitution to be embraced in one judicial district; and,

WHEREAS, the General Assembly finds it to be the intent and purpose of Sections 128, 132, and 138 of the Constitution that the General Assembly may establish such number of judicial districts as may be required by reason of the exigencies of territory, business, and population, not exceeding one district for each 60,000 population of the State, excluding the districts in counties having a population of 150,000;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Fourteenth Judicial District shall hereafter be composed of Bourbon, Scott, and Woodford Counties.

Section 2. A new judicial district is established to consist of Franklin County and be numbered the Forty-Eighth Judicial District.

Section 3. The offices of Circuit Judge and Commonwealth's Attorney for the new judicial district as established under this Act, being the Forty-Eighth Judicial District, are hereby created. Until the regular election for circuit judges and Commonwealth's attorneys, said offices shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Section 4. The present Circuit Judge and Commonwealth's Attorney for the Fourteenth Judicial District as now constituted shall retain their respective offices for the terms for which they were elected for the said Fourteenth Judicial District as it is changed under this Act, provided that the present Commonwealth's Attorney for the present Fourteenth Judicial District, being a resident of Franklin County, shall not be allowed to retain his said office, unless he shall move his residence, within a reasonable time, into one of the counties of the Fourteenth Judicial District as now changed under this Act.

Section 5. The regular term of each court in the judicial districts dealt with by this Act shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

Fourteenth District. Bourbon County, at Paris, on the first Monday in January and April, twenty-four juridical days; and the first Monday in September, twenty-four juridical days.

Scott County, at Georgetown, on the first Monday in February, May, and October, eighteen juridical days each.

Woodford County, at Versailles, on the third Monday in March and October and the first Monday in December, twelve juridical days each.

Forty-Eighth Judicial District. Franklin County, at Frankfort, on the first Monday in January and Feruary, eighteen juridical days each; on the first Monday in March, twenty-four juridicial days; on the first Monday in April, May, and June, eighteen juridical days each; on the first Monday in September, October, and November, twenty-four juridical days each.

Section 5. This Act shall become effective on Septemberl, 1960.

Section 6. If any provisions or portions of this Act, or the applications of such provisions or portions to any judicial district affected hereby should be held invalid, the remainder of this Act, and the application of such remaining provisions to any other judicial district shall not be affected thereby.

HB 330, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 244.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) No wholesaler shall purchase, import or keep upon the licensed premises or sell any distilled spirits or wine, in any container except in the original sealed package containing quantities of not less than one-tenth of a pint each of distilled spirits or six ounces of wine, and not exceeding one gallon each of distilled spirits or fifty-five gallons each of wine, as received from the distiller, rectifier, vintner or wholesaler, as the case may be. Such containers shall at all times have affixed to them such labels as may be required by the regulations of the board, together with all necessary Federal revenue and state excise tax stamps.

(2) No wholesaler shall sell any distilled spirits or wine except in cases of containers of uniform size, except that wine may be sold in barrels or kegs. "Case" as used in this section means a carton of

containers aggregating not less than two and four-tenths nor more than three wine gallons.

Section 2. Section 244.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) No retailer of distilled spirits or wine by the package, other than a railroad system licensee, shall purchase, keep upon the licensed premises or sell any distilled spirits or wine by the package in any container except in the original sealed package containing quantities of not less than one-tenth of a pint of distilled spirits or six ounces of wine and not exceeding one gallon each of distilled spirits or fifty-five gallons each of wine.

(2) Each container shall have affixed to it such labels as may be required by the regulations of the Board, together with all required Federal revenue and state excise tax stamps.

(3) No container shall be opened nor its contents consumed on the licensed premises unless the licensee also holds a retail drink license.

Section 3. Section 244.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) No licensee for sale of distilled spirits and wine by the drink, other than a railroad system licensee, shall keep upon the licensed premises any distilled spirits or wine in any container except in the original package containing quantities of not exceeding one gallon each of distilled spirits or fifty-five gallons each of wine, and containing not less than twenty ounces each, as received from the wholesaler, except mixed drinks which contains a substantial proportion of carbonated water and which are sold by entire bottles containing not less than twelve ounces. If the licensee also holds a retail package license the containers may contain as little as one-tenth of a pint of distilled spirits and six ounces of wine.

(2) Each container shall have affixed to it such labels as may be required by the regulation of the board, together with all required Federal revenue and state excise tax stamps.

Section 4. Section 243.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) A distilled spirits and wine retail drink license shall authorize the licensee to purchase, receive, possess and sell distilled spirits and wine at retail by the drink for consumption on the licensed premises. Such a licensee shall purchase distilled spirits and wine only from licensed wholesalers and unless he also holds a retail package license he shall not buy or possess distilled spirits in containers of a capacity smaller than twenty ounces, but mixed drinks may be bought in containers of a capacity not smaller than twelve ounces, if the mixed drinks contain a substantial proportion of carbonated water. A retail

drink license shall not authorize the sale of distilled spirits or wine by the package, except if said retail drink licensee is the holder of a Special Wine Consumption License he may sell wine by the package.

(2) A holder of a license to sell distilled spirits and wine by the drink, who operates a restaurant in connection with said business may be issued a Special Wine Consumption License by the Distilled Spirits Administrator and the charge for same shall be a state fee of $50.00 and no additional fees shall be charged by any County or City Legislative Body.

A restaurant as used herein means a business establishment preparing and serving cooked meals, for the accommodation of the public, fully equipped with a kitchen, dining room, tables and chairs for at least 100 persons, wherein the average gross monthly receipts from the sale of foods prepared and served on the premises must exceed 50% of the average monthly gross receipts from sale of alcoholic beverages. A restaurant whose gross monthly receipts from the sale of food averages $5,000.00 per month or more shall not be required to sell food in excess of 50% of the average monthly receipts from the sale of alcoholic beverages.

(3) A special Wine Consumption License shall authorize the licensee to purchase and keep wine in containers not exceeding fifty-five gallons and containing not less than six ounces as received from the wholesaler. It shall further authorize the licensee to sell wine in said containers by the package for consumption only on the licensed premises, providing that the licensee shall be required to permanently remove the cork from each bottle before serving same to a customer.

(4) The rights and privileges herein granted to a Special Wine Consumption Licensee shall be in addition to all rights and privileges he may possess under his license to sell distilled spirits and wine by the drink.

SB 68, AN ACT relating to leaves of absence for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) Upon written request of a teacher or superintendent, a board of education may grant a leave of absence for a period of not more than two consecutive school years for educational or professional purposes, and shall grant such leave where illness, maternity or other disability is the reason for the request. Upon subsequent request, such leave may be renewed by the board. Without request, a board of education may grant similar leave of absence and renewals thereof to any teacher or superintendent because of physical or mental disability, but such teacher or superintendent shall have the right to a hearing on such unrequested leave of absence or its renewal in accordance with the provisions for hearing an appeal in KRS 161.790. Upon the return to service of a teacher or superintendent at the expiration

of a leave of absence, he shall resume the contract status which he held prior to such leave.

(2) In addition to the leave of absence provided for in subsection (1) of this section a superintendent may grant three additional days leave of absence in any school year without reduction in pay when a death occurs in the teacher's immediate family and two additional days leave of absence in any school year without reduction in pay when it becomes necessary for a teacher to be absent from his classroom in order to transact personal business.

SB 226, AN ACT relating to regulation of the business of selling motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 190 of the Kentucky Revised Statutes is hereby enacted to provide as follows:

(1) It shall be unlawful for any person, firm or corporation to engage in the business of buying, selling, trading, or exchanging new, used, or secondhand motor vehicles, or offering to buy, sell, trade, or exchange, or to participate in the negotiation thereof, or attempt to buy, sell, trade, or exchange any motor vehicle or interest therein, or of any written instrument pertaining thereto, on Sunday.

(2) It shall be unlawful for any person, firm or corporation to keep open an establishment or place of business on Sunday for any of the purposes mentioned in sub-section 1 of this section; provided, however, that nothing in this act shall apply to any person who conscientiously believes that the seventh day of the week, from sunset Friday to sunset Saturday, should be observed as the Sabbath and who actually refrains from conducting or engaging in the business of buying, selling, or offering for sale motor vehicles, or performing other secular business on that day.

(3) Any person, firm or corporation who violates or causes, aids or abets any violation of the provisions of this act shall be fined not less than $15.00 and not more than $200.00, or imprisoned for not more than 30 days or both.

SB 267, AN ACT changing the classification of the City of Hindman, in Knott County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Hindman, in Knott County, is such as to justify its being classified as a city of the fifth class,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Hindman, in Knott County, is transferred from the sixth to the fifth class of cities.

Calendar

SB 263, SB 266, SB 237, SB 264, SB 265, HB 255, SB 62, HB 252, HB 301, HB 247, HB 19, SB 221, SB 113, SB 258, HB 159, HB 290 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that it be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 245 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 245.** Agreed.

On the roll call, the vote was: Yeas, 31—Bassett, Bishop, Blake, Brand, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Clyde S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Ware, White, Young. Nays, 0. **SB 245** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 245** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 252 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 252.** Agreed.

On the roll call, the vote was: Yeas, 33—Bassett, Bishop, Blake, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Clyde S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White, Young. Nays, 0. **SB 252** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 252** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 250 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 250.** Agreed.

On the roll call, the vote was: Yeas 21—Bassett, Blake, Brand, Blue, Derickson, Duffy, Francis, Garnett, Hickerson, Clyde S. Howard, D. W. Howard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Richmond, Ware, Young. Nays, 11—Bishop, Conley, Craft, Mrs. J. H. Davis, Duncan, Hamilton, Hehl, Hubbard, Johnson, Logan, Miller. **SB 250** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 250** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 251 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 251.** Agreed.

On the roll call, the vote was, Yeas 31—Bishop, Blake, Brand, Blue, Conley, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Ware, Young. Nays 2—Hamilton, Richmond. **SB 251** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 251** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 253 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 253.** Agreed.

On the roll call, the vote was, Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Conley, Craft, Charles H. Davis,, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White, Young. Nays 0. **SB 253** was passed.

Title Amendment to **SB 253**, by Senator Hehl, who moved the adoption. Agreed.

Title Amendment to **SB 253** is as follows:

"Amend title to **SB 253** to read: An Act relating to education of exceptional children and making an appropriation and to be known as the "Ware Act."

Senator Ware moved that the vote by which **SB 253** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 231 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1, by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to **SB 231** is as follows:

1 (a)—"Amend printed copy of **Senate Bill 231** on page 12, section 15, line 2, by deleting the term "and procures"; and inserting in lieu thereof, the term "he shall procure"; and

1 (b)—on page 12, Section 15, line 3, by deleting the term "within ten (10) days after delivery to him of the", and

1 (c)—on page 12, Section 15, line 4, by deleting the term "vehicle, he need not cause the certificate to be mailed or de-" and inserting the term, "and shall cause the certificate and application for certificate of title in the name of the dealer as transferee to be mailed or de-"

1 (d)—on page 12, Section 15, line 5, by deleting the term "but" and inserting the term "and"

Amendment #2 to **SB 231,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #2 to **SB 231,** is as follows:

2 (a)—"Amend printed copy of **SB 231** on page 13, section 16, line 18, by deleting term "need" and inserting the term "shall"

2 (b)—on page 13, section 16,line 19, by deleting the terms "not" and "but" and inserting in lieu thereof the term "but" and the term "and"

Amendment #3 to **SB 231,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #3 to **SB 231** is as follows:

"Amend printed copy of **Senate Bill No. 231** on page 17, section 20, line 8 by inserting the term "and recorded" between the words "filed with".

Amendment #4 to **SB 231,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #4 to **SB 231** is as follows:

"Amend printed copy of **SB 231** on page 17, line 42, by deleting the number "thirty-seven" and substituting therefor the number "thirty-one".

Amendment #5 to **SB 231,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #5 to **SB 231** is as follows:

5 (a)—"Amend printed copy of **SB 231** on page 18, section 22, line 11, by deleting the term "other than a dealer holding the vehicle for"

5 (b)—on page 18, section 22, line 12, by deleting the term "resale", and inserting the term "application for" between the words "and release"

5 (c)—on page 18, section 22, line 13, by deleting the term "execute a" and inserting in lieu thereof the term "forward to the Department the application for"

Amendment #6 to **SB 231**, by Senator Francis, who moved the adoption. Agreed.

Amendment #6 to **SB 231** is as follows:

"Amend printed copy of **SB 231** on page 19, section 22, line 14, by deleting the term "and forward it to the Department".

Amendment #7 to **SB 231**, by Senator Francis, who moved the adoption. Agreed.

Amendment #7 to **SB 231** is as follows:

7 (a)—"Amend printed copy of **SB 231**, on page 20, section 26, line 7, by deleting the term "$1.50" and "$.50" and inserting in lieu thereof the terms "$1.00" and "$1.00".

7 (b)—on page 20, section 26, line 9, by deleting the terms "$1.50" and "$.50" and by inserting in lieu thereof the terms "$1.00" and "$1.00".

7(c)—on page 20, section 26, line 11, by deleting the terms "$1.50" and "$.50" and by inserting in lieu thereof the terms "$1.00" and "$1.00".

7 (d)—on page 20, section 26, line 13, by deleting the terms "$.50" and "$.50" and "$1.00" and inserting in lieu thereof the terms "$1.00" and "$1.00" and "$2.00".

7 (e)—on page 20, section 26, line 19, by deleting the terms "none" under the column listing clerks fee and total fee and by inserting in lieu thereof the terms "$.50" and "$.50".

Amendment #8 to **SB 231**, by Senator Francis, who moved the adoption. Agreed.

Said Amendment #8 to **SB 231** is as follows:

8 (a)—"Amend printed copy of **SB 231** on page 20, section 26, line 21, by inserting the term "or filing" between the words "recording over"

8 (b)—on page 20, section 26, line 22, by deleting the term "none" and by inserting in lieu thereof the term "$1.00" and by deleting the term "$3.60" and by inserting in lieu thereof the term "$2.60".

8 (c)—on page 20, section 26, line 23, by inserting the term "or filing" between the words "recording under"

8 (d)—on page 20, section 26, line 24, by deleting the term "$3.60" in the column listing clerks fee and inserting in lieu thereof the term "$2.60", and by deleting the term "$3.60" in the column listing total fees and inserting in lieu thereof the term "$2.60".

Senator Francis moved the Previous Question on **SB 231**, as amended. Agreed.

On the roll call, the vote was, Yeas 23—Bassett, Conley, Craft, Charles H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Miller, Overbey, Ware. Nays 7— Bishop, Brand, Mrs. J. Harry Davis, Derickson, Johnson, Logan, Richmond. **SB 231** was passed.

Title Amendment to **SB 231**, by Senator Duffy, who moved the adoption. Agreed.

Said Title Amendment to **SB 231** is as follows:

"Amend Title of **SB 231** to read: AN ACT relating to Motor Vehicles and to make uniform the law with reference to certification of title and to be known as the "Francis Act".

Senator C. S. Howard moved that the vote by which **SB 231** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported **HR 21, HB 64, HB 244, HB 211, HB 273** had been examined and found correctly enrolled. Said resolution and bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Committee Substitute to SB 49 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator McCann moved that the Committee Substitute to **SB 49** be adopted. Agreed.

Amendment #1 to **SB 49**, by Senator McCann, who moved the adoption. Agreed.

Said Amendment #1 to **SB 49** is as follows:

"Amend printed copy of **Committee Substitute** for **Senate Bill 49** on page 2, section 4, line 2, by deleting after the word "employer" the word "under"; and by inserting after the word "employer", the following: "upon a contract which is one of".

Amendment #2 to **SB 49**, by Senator Miller, who moved the adoption. Agreed.

Said Amendment #2 to **SB 49** is as follows:

"Amend printed copy of Committee Substitute for **SB 49**, on page 3, section 4, line 8, by deleting the words "registered or certified".

Senator McCann moved the Previous Question on **SB 49**, as amended.

On the roll call, the vote was, Yeas 22—Blake, Craft, Charles H. Davis, Duffy, Francis, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Jackson, Johnson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, Young. Nays 11—Bassett, Bishop, Brand, Blue, Conley, Mrs. J. Harry Davis, Derickson, Garnett, Hamilton, Hubbard, Kelly. **SB 49** was passed.

Title Amendment to **SB 49,** by Senator Young, who moved the adoption. Agreed.

Said Title Amendment to **SB 49** is as follows:

"Amend Title of **SB 49** so as to read: AN ACT relating to debtor's exemptions and to be known as the "McCann Act".

Senator McCann moved that the vote by which **SB 49** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 166 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **SB 166.** Agreed.

On the roll call, the vote was, Yeas 18—Conley, Craft, Charles H. Davis, Duffy, Francis, Garnett, Hehl, Durham W. Howard, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White. Nays 12— Bishop, Blake, Brand, Blue, Derickson, Duncan, Hamilton, Clyde S. Howard, Hubbard, Jackson, Kelly, Logan. **SB 166** was passed and the title agreed to.

Senator Conley moved that the vote by which **SB 166** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 240 taken from Orders of the Day and ordered read at length for the third time. Senator Conley moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **SB 240.** Agreed.

On the roll call, the vote was, Yeas 26—Brand, Conley, Craft Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware, White. Nays 0. **SB 240** was passed and the title agreed to.

Senator Conley moved that the vote by which **SB 240** was passed be reconsidered and said motion be laid on the table.

SB 241 taken from Orders of the Day and ordered read at length for the third time. Senator Conley moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **SB 241.** Agreed.

On the roll call, the vote was, Yeas 24—Brand, Conley, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware, White. Nays 0.

Senator Conley moved that the vote by which **SB 241** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 251 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 251.** Agreed.

On the roll call, the vote was, Yeas 29—Blake, Brand, Conley, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Clyde S. Howard, D. W Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White, Young. Nay 1—Hehl.

Senator Duffy moved that the vote by which **HB 251** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 203 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 203,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to SB 203 is as follows:

Amend printed copy of **SB 203** on page 2, section 3, lines 14 through 22 by striking lines 14 through 22 and substituting therefor the following:

(4) If the drawings and specifications are signed by the authors thereof with the true titles of their occupations as may be required by law, this chapter does not apply to:

(a) any building which is to be used for farm purposes only;

(b) any building, containing not more than 20,000 square feet total floor area, except:

1. an asylum, hospital, nursing or convalescent home, or home for the aged, regardless of capacity;
2. a school or educational institution, regardless of capacity;
3. a residential building containing more than twelve bedrooms;
4. a place of assembly, regardless of capacity;
5. a mercantile building having a capacity in excess of one hundred persons;

6. an industrial building having a capacity in excess of one hundred persons; and

7. an office building having a capacity in excess of one hundred persons;

(c) alterations to any building to which this chapter does not apply, if the alterations do not involve changes affecting structural safety.

Amendment #2 to **SB 203**, by Senator Francis, who moved the adoption. Agreed.

Said Amendment #2 to **SB 203** is as follows:

Amend printed copy of **SB 203** on page 3, section 4, line 17 by deleting the word "ten" and inserting in lieu thereof the word "five".

Senator Francis moved the Previous Question on **SB 203,** as amended. Agreed.

On the roll call, the vote was, Yeas 22—Brand, Conley, Craft, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, Clyde S. Howard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Richmond, Ware, White. Nays 6—Bishop, Mrs. J. Harry Davis, Duncan, D. W. Howard, Hubbard, Johnson. **SB 203** was passed and the title agreed to.

Senator Francis moved that the vote by which **SB 203** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 239 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **SB 239.** Agreed.

On the roll call, the vote was, Yeas 26—Brand, Conley, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Richmond, Ware, White. Nays 2—Bassett, Bishop. **SB 239** was passed and the title agreed to.

Senator Derickson moved that the vote by which **SB 239** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 260 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Martin moved the Previous Question on **SB 260.** Agreed.

On the roll call, the vote was, Yeas 29—Bassett, Blake, Brand, Conley, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton Hehl, Hickerson, Clyde S. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware, White, Young. Nays 0. **SB 260** was passed and the title agreed to.

Senator Martin moved that the vote by which **SB 260** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 257 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **SB 257**. Agreed.

On the roll call, the vote was, Yeas 21—Brand, Craft, Mrs. J. Harry Davis, Derickson, Francis, Garnett, Hehl, Hickerson, Clyde S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Richmond, Ware, White. Nays 0. **SB 257** was passed and the title agreed to.

Senator Hehl moved that the vote by which **SB 257** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 163, HB 444, HB 491, HB 492, HB 493, HB 494, HB 498, HR 88, SR 48.**

SB 255 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 255**. Agreed.

On the roll call, the vote was, Yeas 26—Bassett, Blake, Brand, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware, Young. Nays 0. **SB 255** was passed and the title agreed to.

Senator Duffy moved that the vote by which **SB 255** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Duffy moved suspension of the Rules for the purpose of introducing a bill.

Introduction of Bill

SB 282, by Senator Duffy: AN ACT relating to contracts for the sale of cemetery merchandise.

Recess

Senator Ware moved that the Senate do now recess for the purpose of having a Rules Committee meeting. Agreed. At the appointed hour, the President called the Senate to order.

Senator Ware moved suspension of the Rules for the purpose of making Committee reports. Agreed.

Report of Committee

Rules Committee reported **HB 177, HB 267, HB 342, HB 335, HB 438, HB 444, HB 492, HB 493, HB 494, HB 498, HB 163** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 177, AN ACT relating to manner of voting by the blind.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Where the voter is known to the election officers to be blind, or shall so declare under oath, then such blind voter may be accompanied into the voting booth by another person of his choice, who shall assist in the casting of his ballot.

Section 2. Section 118.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any voter who declares, on oath, that by reason of inability to read English he is unable to mark his ballot, may declare his choice of candidates or party ticket to the clerk, who, in the presence of the judges, sheriff, challengers and the voter, shall mark a pencil dot in the appropriate place for the cross, to indicate the choice of the voter. The clerk shall then fold and deliver the ballot to the voter and instruct him to retire to the booth and there mark his ballot by making a cross mark either in the squares showing dots or any other squares he may desire. In all other respects he shall vote as is required of other voters. In case any person is so physically disabled as to be unable to mark his ballot, and so declares on oath, the clerk may mark his ballot.

(2) No clerk shall willfully deceive any voter in marking any ballot, or willfully mark the same in any other way than as requested by the voter.

Section 3. Section 125.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The voter shall be instructed by the officers of election, with the aid of the instruction cards and the mechanical model, in the use of the machine.

(2) No voter shall be permitted to receive any assistance in voting unless he makes and signs an oath that, by reason of inability to read English, or by reason of other physical disability he is unable to vote without assistance. Upon making and filing with the judges

such oath, the voter shall retire to the voting machine, with the judges, and one of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(3) No voter shall be permitted to occupy the voting machine more than two minutes if other voters are waiting to use it.

(4) In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons who are seeking nomination as candidates of the party with which the voter is affiliated.

(5) If the machine is so constructed as to require adjustment after one person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

(6) The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

HB 267, AN ACT relating to beauty culture, including, but not exclusively, barbering, cosmetology, hairdressing, and the grooming of the upper extremities of the human body for cosmetic purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) A "barber" is any person who engages in the practice of "barbering" for the public generally or for consideration.

(2) "Barbering" is the practice upon the human neck and head, principally of shaving or trimming the beard or cutting the hair but includes also

(a) giving facial and scalp massage or treatments with oils, creams, lotions or other preparations, either by hand or any contrivance,

(b) singeing, shampooing, pressing, arranging, dressing or dyeing the hair or applying hair tonics,

(c) applying to the neck or head cosmetics, lotions, powders, oils, clays or other preparations.

(3) A "cosmetologist" is a person who engages in the practice of "cosmetology" for the public generally or for consideration, regardless of the name under which the practice is conducted.

(4) The practice of "cosmetology" is the practice upon the human neck and head, principally of the human female, of cutting hair, permanent waving, hairdressing, marcelling but may also include:

(a) manicuring, finger waving,

(b) giving facial and scalp massage or treatment with oils, creams, lotions or other preparations, either by hand or any contrivance,

(c) singeing, shampooing, pressing, arranging, dressing or dyeing the hair or applying hair tonics,

(d) applying to neck or head cosmetics, lotions, powders, oils, clays or other preparations.

(5) "Barber shop" is any establishment of whatsoever kind in which the practice of "barbering" is conducted for the general public or for consideration.

(6) "Beauty shop" is an establishment of whatsoever kind in which the practice of "cosmetology" is conducted for the general public or for consideration.

(7) "Manicurist" is a person who engages only in the practice of cutting, trimming, polishing, coloring, cleansing, or manicuring the nails or massaging, cleaning, treating or beautifying the hands of any human, for which a license is requested by this act.

(8) "Board" means The Kentucky Board of Barbering or The Kentucky Board of Hairdressers and Cosmetologists, whichever meaning is indicated or required by the context.

(9) "Barber School" or "School of Barbering" means an operation, place or establishment of whatsoever kind of form in or through which persons are trained or taught the practice of barbering.

(10) "Cosmetology School" or "School of Cosmetology" means an operation, place or establishment of whatsoever kind or form in or through which persons are trained or taught the practice of cosmetology.

(11) "Barber Board" means The Kentucky Board of Barbering.

(12) "Cosmetologist Board" means The Kentucky Board of Hairdressers and Cosmetologists.

Section 2. (1) No person shall engage in the practice of "barbering" or "cosmetology" for other than cosmetic purposes nor shall any person engage in barbering or the practice of cosmetology for the treatment of physical or mental ailments, except that the provisions of this act shall not apply to:

(a) persons authorized by the law of this state to practice medicine, chiropody, optometry, dentistry, chiropractic, nursing or embalming when incidental practices of barbering or cosmetology are performed by them in the normal course of the practice of their profession.

(b) commissioned medical or surgical personnel of the United States Army, Navy, Air Force or Marine Hospital Service performing incidental practices of barbering or cosmetology in the course of their duties.

(2) Except as provided in subsection (1) of this section no person shall engage in the practice of barbering or cosmetology for the public generally or for consideration without the appropriate license required by this act.

(3) No person unless duly and properly licensed pursuant to this act shall:

(a) teach barbering or cosmetology,

(b) operate a barber shop or beauty shop,

(c) engage in a barber apprenticeship or cosmetology apprenticeship,

(d) act as a manicurist,

(e) conduct or operate a school for barbers or school for cosmetologists.

(4) No person shall aid or abet any person in violating the provisions of this section, nor shall any person engage or employ for consideration any person for the performance of any practice licensed by this act unless the person to perform such practice holds and displays the appropriate license therefor.

(5) Whenever a person engages in different practices separately licensed by the provision of this act, such person shall procure a separate license for each of the practices so licensed.

Section 3. (1) There is hereby created an independent agency of the State Government to be known as The Kentucky Board of Barbering, which shall have complete supervision over the administration of the provisions of this act relating to barbers, barbering, barbershops, barber schools, the teaching of barbering and barber apprenticeship.

(2) The Kentucky Board of Barbering hereinafter referred to as the Barber Board or Board shall be composed of three members who are barbers licensed to practice barbering in this state, appointed by the Governor. One member shall be a master barber who is a member of a nationally recognized professional organization of master barbers and who is not otherwise a member of a union of barbers, a second and different member shall be a barber who is a member of an organized labor union of barbers, a third and different member shall be a barber who is not a member of a union or labor organization of barbers. At all times in the filling of vacancies of membership on the Barber Board, this balance of representation shall be maintained.

(3) Two members shall constitute a quorum for the transaction of business.

(4) In addition to the other qualifications specified in this section, members of the Barber Board shall be at least 23 years of age, citizens of the United States, residents of Kentucky and must have engaged in the practice of barbering in this state for a period of at least five years.

(5) No member of the Barber Board shall be financially interested in, or have any financial connection with any barber or cosmetology school, wholesale cosmetic or barber supply or equipment business, nor shall any member of the barber board teach barbering, cosmetology or manicuring for monetary considerations.

(6) Each member of the Barber Board shall receive a compensation of $25 per day for each day of attendance at meeting of the board, and shall be reimbursed for necessary traveling expenses.

(7) The board shall hold such meetings at such place in the state and at such times as are deemed necessary by the board to discharge its duties.

Section 4. (1) To protect the health and safety of the public or to protect the public against misrepresentation, deceit or fraud in the practice or teaching of barbering, the barber board shall prescribe reasonable rules and regulations:

(a) governing the location and housing of barber shops or schools,

(b) governing the quantity and quality of equipment, supplies, materials, records and furnishings required in barber shops or schools,

(c) governing the training and supervision of barber apprentices,

(d) governing the qualifications of teachers of barbering,

(e) governing the hours and courses of instruction at barber schools,

(f) governing the examinations of applicants for barber, apprentice barber or teacher of barbering.

(2) Regulations pertaining to health and sanitation shall be approved by the Kentucky State Board of Health before becoming effective.

Section 5. (1) The barber shall issue a license to practice barbering to any person who:

(a) is at least 18 years of age,

(b) is of good moral character and temperate habit,

(c) has acted as a licensed apprentice for at least eighteen months under the immediate supervision of a licensed barber,

(d) has satisfactorily passed the examination prescribed by the Barber Board,

(e) has paid a fee of fifteen dollars.

(2) The barber board shall issue a license to act as apprentice to a barber to any person who:

(a) is at least 16½ years of age,

(b) is of good moral character and temperate habit,

(c) has at least four years of high school education,

(d) has graduated from an accredited or licensed school of barbering,

(e) has satisfactorily passed the examination prescribed by the barber board, and

(f) has paid a fee of five dollars.

(3) The barber board shall issue a license to operate a barber shop to any barber licensed under the provisions of this act upon application of such barber accompanied by a fee of three dollars provided that the barber board shall refuse to issue such a license upon a failure to comply with the provisions of this act or the rules and regulations of the board adopted pursuant thereto.

(4) The barber board shall issue a license to operate a school of barbering to any person, firm or corporation who or which:

(a) applies therefor upon forms furnished by the board,

(b) has the equipment and facilities which may be required by rules and regulations of the board adopted pursuant to this act,

(c) furnished any evidence deemed necessary by the board in the exercise of a sound discretion that it is the purpose of the applicant to establish a bona fide school for the education and training of competent barbers and can and will employ a sufficient number of licensed teachers of barbering to conduct such school,

(d) pays a fee of fifty dollars.

(5) The barber board shall issue a license to teach barbering to any person who:

(a) is of good moral character and temperate habit,

(b) has a high school education and at least two years of college,

(c) has been a licensed and practicing barber for at least thirty-six months,

(d) has satisfactorily passed the examination prescribed by the board, and

(e) has paid a fee of ten dollars.

(6) Applicants for examinations required in this section shall be accompanied by an examining fee as follows:

(a) barber—fifteen dollars

(b) apprentice to a barber—ten dollars

(c) teaching barbering—twenty-five dollars.

(7) Licenses issued pursuant to this section shall expire on the first day of July next following the date of their issuance but the

board shall renew any license so expiring at no increased renewal fee if the required annual renewal license fee is paid within thirty-one days after the expiration of such license, provided that the applicant for a renewal is otherwise in compliance with this act and the rules and regulations of the board adopted pursuant thereto. Any license shall automatically be renewed by the board upon receipt of the required annual license fee prior to the expiration date of such license, provided the applicant for renewal is in compliance with the provisions of this act and the rules and regulations of the board adopted pursuant thereto.

(8) The annual renewal license fee for each type of license renewal shall be as follows:

(a) barber—five dollars;
(b) apprentice to barber—five dollars;
(c) teacher of barbering—ten dollars;
(d) barber shop—three dollars;
(e) barber school—twenty-five dollars.

(9) except as provided in subsection (7) of this section, the fee for the renewal of an expired license, where the period of expiration does not exceed five years, shall be as follows:

(a) barber—twenty-five dollars;
(b) apprentice—twenty-five dollars;
(c) barber shop—three dollars;
(d) barber school—fifty dollars;
(e) teacher of barbering—fifty dollars.

Section 6 (1) The barber board shall hold hearings upon the request of any person directly affected by the board's decision to refuse to renew a license or to deny or revoke a license and no license renewal shall be denied nor shall a license be revoked unless the board in advance shall have given the licensee twenty days written notice of the revocation or refusal to renew stating the grounds therefor.

(2) Hearings conducted by the board shall afford reasonable opportunity for the complainant to be present and represented by counsel, to examine and to cross-examine any witness and produce any competent and relevant proof though the board need not follow strict rules of evidence in the conduct of such hearings.

(3) Rulings of the barber board as a result of any hearing may be appealed to the Franklin Circuit Court by filing with said court within thirty days from date of entry of the order a certified copy of the ruling or order of the board. The court shall not set aside any ruling or order of the barber board if there was any competent evidence before the board to justify the ruling or order.

(4) The board is authorized to issue subpoenas for the attend-

ance of witnesses and the production of such records and documents as may be reasonably necessary in the conduct of any hearing.

Section 7. (1) The barber board may employ such personnel as may be reasonably necessary to carry out the provisions of this Act, whose compensation shall be established by the Department of Personnel. The board shall by appropriate order employ an administrator who shall be charged with responsibility of administering the provisions of this Act, and the policies of the board relating to barbering. The administrator may receive a salary of $7,500 per annum, or such compensation as may be established by classification of the position by the Department of Personnel.

(2) The barber board shall prescribe the duties of such personnel employed by it.

(3) The barber board shall publish and distribute copies of its rules and regulations and revisions thereof to all persons licensed by it and to such other persons, places or agencies as may be required by law or deemed by it reasonably necessary in the administration of the provisions of this Act, but such publications shall be clearly stamped, marked or printed "Informational Copy".

Section 8 (1) There is hereby created an independent agency of the state government to be known as the Kentucky Board of Hairdressers and Cosmetologists, hereinafter referred to as the cosmetologists board, which shall have complete supervision over the administration of the provisions of this act relating to cosmetology, cosmetologists, schools of cosmetology, manicurists, teachers of cosmetology, and beauty shops.

(2) The cosmetology board shall be composed of three members:

(a) all of whom shall have cosmetologists five years prior to their appointment, residents of Kentucky,

(b) one of whom shall be a beauty shop owner, and

(c) one of whom shall not own any interest in a beauty shop, and

(d) one of whom shall be a member of a nationally recognized association of hair dressers and cosmetologists.

(e) none of whom shall be financially interested in, or have any financial connection with any barber or cosmetology school, wholesale cosmetic or barber supply or equipment business, nor shall any member of the board teach barbering, cosmetology or manicuring for monetary consideration.

At all times in the filling of vacancies of membership on the board this balance of representation shall be maintained.

(3) On July 1, 1960, the Governor shall appoint three persons to the board, one of whom shall serve a term of one year, another a term of two years, and another a term of three years, the term of

each appointee to be determined by lot. Thereafter, upon expiration of the term of any member, the appointment shall be for a term of two years.

(4) The Governor shall not remove any member of the board except for cause.

(5) The board shall elect from its members one to serve as chairman, one as vice chairman, and a third to serve as secretary.

(6) Two members shall constitute a quorum for the transaction of any business of the board.

(7) Each member of the board shall receive a compensation of $25 per day for each day of attendance at meetings of the board, and shall be reimbursed for necessary traveling expenses.

(8) The board shall hold such meetings at such place in the state and at such times as are deemed necessary by the board to discharge its duties.

Section 9. (1) The cosmetologist board may employ inspectors and such other personnel as may be reasonably necessary to carry out the provisions of this Act, whose compensation shall be established within budgetary limits by the Department of Personnel.

(2) The cosmetologist board shall employ and prescribe the duties of an administrator who shall be charged with the responsibility of administering the provisions of this Act, the policies and regulations of the board relating to cosmetology.

(3) No person shall be employed as an administrator unless he is a licensed cosmetologist or meets the qualifications established by the Department of Personnel for this position.

(4) The administrator may receive a salary of $7,500 per annum, or such compensation as may be established by classification of the position by the Department of Personnel.

(5) The cosmetologist board shall publish and distribute copies of its rules and regulations and revisions thereof to all persons licensed by it and to such other persons, places or agencies as may be required by law or deemed by it reasonably necessary to the administration of the provisions of this act, but such publications shall be clearly marked, stamped or printed "Informational Copy".

Section 10. (1) The cosmetologists board shall issue a license to act as a manicurist to any person who:

(a) is at least 16½ years of age,

(b) is of good moral character and temperate habit,

(c) has completed satisfactorily a manicuring course of study of three hundred hours in an accredited school of cosmetology, and

(d) has satisfactorily passed an examination prescribed by the board to determine fitness to practice as a manicurist.

(2) The cosmetologists board shall issue a beauty specialist license to any person who:

(a) has at least two years high school education, or its equivalent,

(b) is at least eighteen years of age,

(c) has practiced as a licensed cosmetology apprentice for at least twelve months under the immediate supervision of a licensed cosmetologist,

(d) has satisfactorily passed an examination prescribed by the board to determine fitness to practice cosmetology, and

(e) has paid a fee of eight dollars.

(3) The cosmetologists board shall issue a license to operate a school of cosmetology to any person, firm or corporation who or which

(a) has such equipment, supplies and facilities as may be required by rules and regulations of the board;

(b) has furnished evidence or proof deemed necessary by the board in the exercise of a sound discretion that it is the purpose of the applicant to establish a bona-fide school for the education and training of competent cosmetologists and will employ a sufficient number of licensed teachers of cosmetology to conduct such school;

(c) complies with the rules and regulations of the board regarding courses, curriculum, hours of instructions;

(d) otherwise complies with this act.

(4) The cosmetologists board shall issue license to operate a beauty shop to any licensed cosmetologist upon application of such cosmetologist accompanied by a fee of three dollars provided that the board may refuse to issue such a license upon a failure to comply with the provisions of this act or the rules and regulations of the board adopted pursuant thereto.

(5) The cosmetologists board shall issue an apprentice cosmetologist license to any person who:

(a) is at least 16½ years of age,

(b) is of good moral character and temperate habit,

(c) has at least two years high school education or its equivalent,

(d) has graduated from an accredited school of cosmetology,

(e) has passed an examination prescribed by the board to determine fitness to practice as an apprentice beauty specialist, and

(f) has paid a fee of three dollars.

(6) The cosmetologists board shall issue a license to teach cosmetology to any person who:

(a) is of good moral character and temperate habit,

(b) has a high school education and at least two years of college,

(c) has been a licensed and practicing beauty specialist for at least twelve months,

(d) has satisfactorily passed the examination prescribed by the board, and

(e) has paid a fee of ten dollars.

(7) The board shall issue a license to conduct a post-graduate cosmetologist and advanced hair stylist school to any person complying with reasonable rules and regulations with regard thereto and who pays the required license fee required herein.

(8) Licenses issued pursuant to this section shall expire on the first day of July next following the date of their issue but the board shall renew any license so expiring at no increased renewal fee if the required annual renewal license fee is paid within thirty-one days, after the expiration of such license, provided that the applicant for a renewal is otherwise in compliance with this Act and the rules and regulations of the board adopted pursuant thereto. Any license shall automatically be renewed by the board upon receipt of the required annual license fee prior to the expiration date of such license, provided the applicant for a renewal is in compliance with the provisions of this Act and the rules and regulations of the board adopted pursuant thereto.

(9) The annual renewal license fee for each type of license renewal shall be as follows:

(a) cosmetologist—five dollars;

(b) apprentice cosmetologist—five dollars;

(c) teacher of cosmetology—ten dollars;

(d) beauty shop—three dollars;

(e) cosmetology school—twenty-five dollars;

(f) manicurist—three dollars;

(g) post-graduate school—twenty-five dollars.

(10) Applications for examinations required by this section shall be accompanied by an examining fee as follows:

(a) cosmetologist—fifteen dollars;

(b) apprentice cosmetologist—ten dollars;

(c) cosmetology teacher—twenty-five dollars;

(d) manicurist—ten dollars.

(11) except as provided in subsection (8) of this section the fee for the renewal of an expired license where the period of expiration does not exceed five years shall be as follows:

(a) cosmetologist—twenty-five dollars;

(b) apprentice cosmetologist—twenty-five dollars;
(c) beauty shop—three dollars;
(d) cosmetology school—fifty dollars;
(e) manicurist—ten dollars;
(f) post-graduate school—fifty dollars.

Section 11. (1) To protect the health and safety of the public or to protect the public against misrepresentation, deceit or fraud in the practice or teaching of beauty culture, the cosmetologists board shall prescribe reasonable rules and regulations:

(a) governing the location and housing of beauty shops or cosmetology schools;

(b) governing the quantity and quality of equipment, supplies, materials, records and furnishings required in beauty shops or cosmetology schools;

(c) governing the training and supervision of cosmetology apprentices;

(d) governing the qualifications of teachers of cosmetology;

(e) governing the hours and courses of instruction at cosmetology schools;

(f) governing the examinations of applicants for licenses.

(2) Regulations pertaining to health and sanitation shall be approved by the Kentucky State Board of Health before becoming effective.

Section 12. (1) All fees and charges collected by the cosmetologists board and the barber board shall be paid into the General Fund in the State Treasury and credited to a separate Revolving or Trust and Agency Fund Account established for the purpose of administering the provisions of this act. The cost and expenses of administering the provisions of this act including compensation to members of the boards and its officers and employees shall be paid out of the General Fund in the State Treasury upon warrants of the Commissioner of Finance according to law provided that the total expense of administering these provisions shall not exceed the fees and other charges collected by the boards and available in the Revolving or Trust and Agency Fund Account.

(2) All fees and charges collected by the boards shall be available for the administration of the provisions of this act, and for no other purpose.

Section 13. (1) No license shall be renewed or issued by the barber board to any barber school, nor shall any license be issued by the cosmetologists board to any cosmetology school unless such school provides:

(a) as a prerequisite of graduation a prescribed course of instruction of not less than fifteen hundred hours to be given within an uninterrupted period with not more than eight hours nor less than four hours of instruction a day, exclusive of Sundays.

(b) Courses of instruction in histelogy of the hair, skin, nails, muscles and nerves of the face and neck; elementary chemistry with emphasis on sterilization and antiseptics; disease of the skin, hair and glands; massaging and manipulating of the muscles of the upper body; cutting, shaving, arranging, dressing, coloring, bleaching and tinting the hair and such other courses as may be prescribed by regulation of the appropriate board.

(c) Such facilities, equipment, materials, and qualified teachers as may be required by rules and regulations of the appropriate board adopted pursuant to this act, but in no event shall any school have fewer than one licensed teacher per fifteen students, or more than two students per chair.

Section 14 (1) The cosmetologist board may prescribe reasonable rules and regulations pertaining to the issuance of a license, upon payment of the prescribed license fee, to any person holding a comparable license issued by another state where the laws of such state, in the opinion of the cosmetologists board, provide comparable professional qualification, health and safety standards.

(2) Notwithstanding the provisions of subsection (1) of this section, a license to operate or practice in this state may be refused or denied a holder of a license issued by another state if such state does not extend to the holder of a Kentucky license similar or comparable recognition and opportunity.

Section 15. (1) By agreement of the barber board and the cosmetologists board persons employed by either may be designated as agents for both in such duties as may be assigned such employe in carrying out the provisions of this Act.

(2) Such equipment, supplies and records as are now held by the Board of Barbers and Beauty Examiners, which is abolished by this Act, shall be appropriately divided between the two boards created by this Act according to the nature of such equipment, supplies and records.

(3) The principal offices of both boards created by this Act shall be located in such place as will enable the board to have ready access to records and technical assistance of the State Department of Health.

(4) The State Department of Health shall give cooperation and technical advice and assistance to the boards created by this Act.

(5) The Governor shall appoint an executive director and fiscal agent who shall have been a practicing barber or cosmetologist for at least five years who shall act as coordinator of the administration of this Act by the Barber Board and the Cosmetologists Board. The executive coordinator shall serve a term of four years unless sooner

removed by the Governor, and receive a compensation of $8,500 per annum. The Governor, after consultation with the boards, shall fix the duties of the executive coordinator.

Section 16. (1) No examination or school or part of any examination required by this Act shall be given unless a quorum of the appropriate board is present to supervise such examination.

(2) Examinations given by the board shall cover all phases of the applicant's qualifications for the license applied for including skill and technique of applicant as well as scientific and other knowledge.

(3) Examinations shall be given at regularly prescribed intervals but not more frequently than 30 days.

(4) Examinations shall be given at the principle offices of the appropriate board.

Section 17. (1) No barber, student, cosmetologist, apprentice or manicurist shall:

(a) knowingly continue to practice while he has an infectious or communicable disease;

(b) fail to provide the head rest of each chair with a relaundered towel or a sheet of clean paper for each patron;

(c) fail to place around the patron's neck a strip of cotton, towel or neck strip so that the haircloth does not come in contact with the nude skin of the patron's body.

(d) use on one patron a towel that has been used upon another patron, unless the towel has been relaundered; or

(e) use on any patron any razor, scissors, tweezers, comb, sachet, rubber disc or part of vibrator or other similar equipment or appliance that comes into contact with the head, face, hands, or neck of a patron, until the equipment of appliance has been imerged in boiling water for ten minutes or in a sterilizing solution and placed in a wet or dry sterilizer until again used. Only such methods of sterilization as are bacteriologically effective and approved by the State Board of Health shall be used.

Section 18. (1) The cosmetologists board shall hold hearings upon the request of any person directly affected by the board's decision to refuse to renew a license or to deny or revoke a license and no license renewal shall be denied nor shall a license be revoked unless the board in advance shall have given the license twenty days written notice of the revocation or refusal to renew stating the grounds therefor.

(2) Hearings conducted by the board shall afford reasonable opportunity for the complainant to be present and represented by counsel, to examine and to cross examine any witnesses and produce any competent and relevant proof though the board need not follow strict rules of evidence in the conduct of such hearings.

(3) Rulings of the board as a result of any hearing may be appealed to the Franklin Circuit Court by filing with said court within thirty days from date of entry of the order a certified copy of the ruling or order of the board. The court shall not set aside any ruling or order of the board if there was any competent evidence before the board to justify the ruling or order.

(4) The board is authorized to issue subpoenas for the attendance of witnesses and the production of such records and documents as may be reasonably necessary in the conduct of any hearing.

Section 19. (1) Licenses shall not be issued or renewed and such licenses as are issued shall be revoked upon proper showing of applicant's or licensee's:

(a) conviction of a felony,

(b) gross malpractice or incompetence, or

(c) mental or physical health would endanger public health or safety.

(2) A license may be refused or revoked by the appropriate board for the following reasons:

(a) failure to comply with regulations or rules of the board,

(b) false or deceptive advertising,

(c) practicing in an unlicensed shop or in a shop knowing that such shop is not complying with this act or regulations of the board promulgated pursuant to this act,

(d) immoral or unprofessional conduct,

(e) teaching in an unlicensed school or in a school knowing that such school is not complying with this act or regulations of the appropriate board promulgated pursuant to this act.

Section 20. Upon the day immediately preceding the effective date of this act, any person who lawfully held a license in force and effect entitling such person to engage in the practices licensed by this act shall be entitled to the comparable license required by this act upon application and the payment of the prescribed annual license fee therefor.

Section 21. This act shall become effective June 30, 1960.

Section 22. Sections 317.010, 317,020, 317.030, 317.040, 317.050, 317,060, 317.070, 317.080, 317.090, 317.100, 317.110, 317.120, 317.130, 317.140, 317.150, 317.160, 317.170 317.180. 317.190, 317.200, 317.210, 317.220, 317.230, 317.240, 317250, 317.260, 317.270, 317.280, 317.290, 317.320, 317.330, 317.340, 317.350, 317.360 and 317.990 of the Kentucky Revised Statutes are hereby repealed.

Section 23. (1) Any person who violates any provision of this act shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not less than ten days nor more than six months, or both such fine and imprisonment.

(2) Any person who violates any rule or regulation lawfully adopted by a board under the authority contained in this act shall be fined not less than twenty-five dollars nor more than two hundred dollars, or imprisoned for not less than ten days nor more than three months, or both such fine and imprisonment.

Section 24. If any provision of this act is held invalid or unconstitutional the remaining provisions shall continue to be in force unless the remaining parts standing alone are incomplete and incapable of being administered without the provision declared invalid.

HB 342, AN ACT relating to motor vehicles, motor transportation and the revenue and taxation thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 281 of the Kentucky Revised Statutes is hereby created to read as follows:

All certificates authorizing the transportation of persons over regular routes shall be so construed as to authorize the transportation in the same vehicle of baggage, light express, newspapers and mail.

Section 2. A new section of Chapter 281 of the Kentucky Revised Statutes is hereby enacted to provide as follows:

As used in this chapter, unless the context requires otherwise:

(1) The term "automobile utility trailer" shall mean any trailer or semi-trailer designed for use with and towed behind a passenger automobile.

(2) The term "automobile utility trailer lessor" shall mean any person who is engaged in the business of leasing or renting automobile utility trailers, but shall not include the agents of such person.

(3) The term "utility trailer permit" means a permit authorizing a person to engage in the business of automobile utility trailer lessor, and such permit shall be subject to the same fees, renewal requirements and suspension and revocation powers as are imposed in respect to other permits issued pursuant to the provisions of this chapter.

Section 3. A new section of Chapter 281 of the Kentucky Revised Statutes is hereby enacted to provide as follows:

(1) No person shall act as an automobile utility trailer lessor without first obtaining a permit from the Department.

(2) A permit authorizing a person to act as an automobile utility trailer lessor shall also authorize the agents of such a person to act on his behalf during the period of their agency.

(3) Permits authorizing a person to act as an automobile utility

trailer lessor may be issued by the Department without a hearing. In the event a hearing be held by the Department upon an application for a permit authorizing a person to act as an automobile utility trailer lessor, the question for determination shall be the fitness, willingness and ability of the applicant, and whether the operation proposed is bona fide.

(4) Before a permit authorizing a person to act as an automobile utility trailer lessor is issued by the Department, the applicant therefor must comply with the provisions of KRS 281.655.

Section 4. For the purpose of the interstate and intrastate reciprocal provisions of Chapter 186 and 281 of the Kentucky Revised Statutes, automobile utility trailers shall be classified the same as private passenger automobiles and extended the same privileges, provided, however, that every automobile utility trailer lessor shall register with the Department, license and pay all applicable taxes on a number of such trailers equal to the average number of automobile utility trailers he operated during the previous licensing year in and through the Commonwealth of Kentucky. Thereafter, all such trailers properly identified and licensed in any state, territory, province, country, or the District of Columbia, and belonging to such person, shall be permitted to operate in this state in both interstate and intrastate commerce. The burden of submitting verifiable data as to the average number of automobile utility trailers operating in and through the Commonwealth of Kentucky shall be on the automobile utility trailer lessor.

Section 5. A new section of Chapter 281 of the Kentucky Revised Statutes is hereby enacted to provide as follows:

As a condition precedent to the use of the highways, every automobile utility trailer lessor shall pay an annual tax to the Department on or before January 1 of each year in the amount of $5.00 for each automobile utility trailer required to be licensed in this state pursuant to the provisions of Section 4 of this act, and such tax shall be in lieu of any other tax imposed by Chapter 186 and 281 of the Kentucky Revised Statutes.

Section 6. Section 281.630 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) A certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation covered by the application, if it is found that the applicant is fit, willing and able properly to perform the service proposed and to conform to the provisions of this chapter and the requirements and the rules and regulations of the department thereunder, and further that the existing transportation service is inadequate, and that the proposed service, to the extent to be authorized by the certificate, is or will be required by the present or future public convenience and necessity, and that

the proposed operation, to the extent authorized by the certificate, will be consistent with the public interest and the transportation policy declared in this chapter; otherwise such application shall be denied, provided, however, that nothing herein shall be construed so as to require the department to give, to any existing carrier authorized to render service to, from or between any point on the route proposed to be served by the applicant, any notice regarding the quality or quantity of its service to, from or between such points or to require the department to give to such existing carrier any opportunity to improve its existing service or to render the service found to be needed before the issuance of a certificate to the applicant.

(2) In granting a certificate, the order, among other things, shall specify the route or routes of service and territory to be served, provided that where the certificate to be granted specifies a route or routes or portion of a route or routes common to a certificate or certificates authorizing the same type of operation held by the applicant, all such certificates shall constitiute but a single operating authority over that portion of the route or routes common to the certificates. The order granting a certificate shall not limit the number of vehicles to be operated by the motor carrier except that, in the granting of a certificate for the operation of taxicabs, the order shall specify the maximum number of taxicabs to be operated thereunder.

(3) A carrier shall be entitled to have issued to it by the department as many certificates, and of such types, as will cover its entire authorized operation.

(4) A permit shall be granted to any qualified applicant therefor authorizing in whole or in part the operations covered by the application, if it appears from the application and the hearing held thereon that the applicant is fit, willing and able properly to perform the service of a contract carrier by motor vehicle and to conform to the provisions of this chapter and the lawful requirements, rules and regulations of the department thereunder, and that the proposed operation to the extent authorized by the permit will be consistent with the public interest and the transportation policy declared in this chapter, and that it will not unreasonably impair the efficient public service of any authorized common carrier then adequately serving the same territory, and if it further appears that the existing transportation service is inadequate, and that it appears that the proposed service is needed; otherwise such application shall be denied. The department shall specify in the permit the business of the contract carrier covered thereby and the scope thereof, and shall attach to it at the time of issuance, and from time to time thereafter, such reasonably terms, conditions and limitations consistent with the character of the holder as a contract carrier as are necessary to carry out, with respect to the operations of such carrier, the requirements established by the department.

(5) Amendment or change of route or abandonment of a certificate or permit shall be granted upon the same basis that an original certificate or permit is granted.

(6) Any certificate or permit may be sold, assigned, leased or transferred, after a hearing and notice to interested parties as provided for in KRS 281.625, provided the transferee is fit, willing and able to render the proposed service, unless it would be against the public interest, and provided further that the commissioner may approve the sale and transfer of a certificate or permit without a hearing if, after due notice of the proposed sale or transfer is given to all interested parties in accordance with the rules and regulations of the department, no protest is filed to the proposed sale or transfer and the commissioner believes that it will be in the public interest.

(7) For the purpose of this section, a transfer of the controlling stock of a corporation owning a certificate or permit may be considered a transfer of said certificate or permit.

(8) Upon the consummation of a merger or consolidation of motor carriers as effected under the provisions of KRS Chapter 271, the surviving or new corporation, as the case may be, shall own and possess all of the certificates, permits, authorizations, licenses, rights, privileges, franchises and properties owned or possessed by each of such motor carriers; and if such merger or consolidation is set aside, the certificates, permits, authorizations, licenses, rights, privileges, franchises and properties acquired by the surviving or new corporation through the merger or consolidation shall become revested in the corporation from which acquired, unless disposed of, subject to such indebtedness and liens as may be equitable, and all other properties of the surviving or new corporation shall become vested in the constituent corporation in such manner as may be fair and equitable.

(9) (a) Notwithstanding the provisions of subsection (3) of this section, where a motor carrier has been granted two or more certificates or permits authorizing the same type of operation over a route or routes or a portion of a route or routes common to two or more of the certificates or permits, the carrier shall be deemed to possess only one operating authority over that portion of the routes common to the certificates or permits.

(b) The department is authorized to recall any certificates and to reissue one or more certificates covering the exact authority.

Section 7. Section 281.655 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Before any certificate or permit will be issued or renewed, the applicant or holder of the certificate or permit must file or have on file with the department an approved indemnifying bond or insurance policy issued by some surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full

force until cancelled under proper notice. The bond or policy shall have attached thereto the state insurance endorsement. All bonds or policies required herein must be issued in the name of the holder of the certificate or permit; provided, however, and except as otherwise provided herein, such bond or insurance policy in the case of a U-Drive-It or automobile utility trailer lessor shall meet the requirements provided for in KRS 187.490. In lieu of the bond or policy, the department, under appropriate rules and regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until cancelled under proper notice.

(2) All bonds or policies shall provide blanket coverage for all equipment operated pursuant to the certificate or permit.

(3) Effective January 1, 1957, the types and minimum amounts of insurance to be carried on each vehicle are as follows:

MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS, INCLUDING U-DRIVE-ITS

Capacity	Death or Injury to any one person	Total Liability For Death or Injury to Persons	Property Damage
7 persons or less	$10,000.00	$20,000.00	$5,000.00
8 to 16 inclusive	10,000.00	30,000.00	5,000.00
17 to 25 inclusive	10,000.00	40,000.00	5,000.00
26 or more	10,000.00	50,000.00	5,000.00

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY, INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY TRAILERS

Gross Weight	Death of or Injury to any one person	Total Liability for Death of or Injury to Persons	Property Damage
18,000 lbs. or less	$10,000.00	$20,000.00	$5,000.00
More than 18,000 lbs.	10,000.00	30,000.00	5,000.00

(4) Any carrier or motor carrier using any vehicle for the transportation of inflammables, explosives or petroleum or petroleum products in bulk shall have the following types and minimum amount of insurance carried on each such vehicle:

Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
$10,000.00	$30,000.00	$25,000.00

(5) Before any Kentucky intrastate certificate, exclusively authorizing the transportation of property, except an irregular route com-

mon carrier certificate exclusively authorizing the transportation of Kentucky exempted commodites, shall be issued or renewed, the applicant or holder of the certificate must file or have on file with the department an approved insurance policy or bond compensating shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into possession of the carrier in connection with its transportation service, (a) for loss of or damage to property carried on any one motor vehicle in the amount of one thousand dollars; (b) for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place in the amount of two thousand dollars. Said policy or bond shall have attached thereto the Kentucky cargo policy endorsement and must be issued by some insurance or surety company authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until cancelled under proper notice. In lieu of the bond or policy, the department, under appropriate rules and regulations may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until cancelled under proper notice.

(6) The department may by regulation require motor carriers for hire operating exclusively in interstate commerce to file proof of cargo insurance coverage in such form and in such amounts as the commissioner deems advisable.

(7) No insurance company or insurance carrier issuing any policy filed with the department, and no surety or obligor on any bond or contract filed with the department, shall be relieved from liability under the policy, bond or contract until after the expiration of fifteen days' notice to the department of an intention to cancel the policy, bond or contract, provided, however, that a prior cancellation may be allowed in cases where one policy, bond or contract is substituted for another policy, bond or contract where such substituted policy, bond or contract is of force and effect at a point in time prior to the expiration of fifteen days' notice to the department of an intention to cancel the policy, bond or contract for which such additional policy, bond or contract is being substituted. The acceptance of any notice of an intention to cancel any policy, bond or contract or the cancellation of any policy, bond or contract by the department, unless under the circumstances hereinbefore set forth, shall not relieve the insurance company, insurance carrier, surety of obligor of any liability that accrued prior to the effective date of the cancellation.

(8) Upon the cancellation of any bond or insurance policy required by this section, all operating rights granted by the certificate or permit for which said bond or policy was filed, shall immediately cease, and the department is empowered to immediately require the cessation of all operations conducted under authority of said certificate

or permit, and to require the surrender of all certificates, permits, licenses and other evidence of a right to act as a motor carrier.

(9) The department may exempt in whole or in part from the requirements of this section any person who applies for such exemption and shows to the satisfaction of the department that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he may become liable as a result of the operation of any vehicle owned by him or operated under authority of his certificate or permit.

Section 8. Section 281.815 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) On or before January 1 of each year, and as a condition precedent to the use of the highways, every motor carrier primarily engaged in transporting passengers for hire shall pay to the department for the privilege of using the highways an annual tax upon each motor vehicle so used, as follows: Four dollars and fifty cents for each regular seat for the first thirty-one seats, and eight dollars for all seats in excess of thirty-one; except as provided in subsection (2) of this section and except that taxicabs, city buses, industrial buses, suburban buses, and U-Drive-Its, shall pay the fees set forth in subsection (4) of this section.

(2) (a) Any such motor carrier engaged in regular route interstate commerce or combined interstate and intrastate commerce and operating two or more vehicles in Kentucky shall be required to pay only that portion of a tax imposed by subsection (1) as the number of miles operated by such fleet of motor vehicles in Kentucky bears to the total miles operated by such fleet in any license year, or portion thereof.

(b) Any such motor carrier shall prior to January 1 of each license year, and as a prerequisite to operating on the highways of this State, obtain a permit from the department and at that time shall pay its estimated tax hereunder, as determined by the department's applicable regulations, and execute bond for any additional tax which might be due, with or without surety thereon, as the department in its discretion and according to its regulations might require.

(c) The department is authorized and directed to promulgate such rules and regulations as may be necessary to effectuate the apportionment of taxes prescribed in paragraph (2) of this subsection. Such regulations shall provide that the estimate of such taxes for any license year shall be that proportion that would have been due in the prior license year and shall further provide for a license year-end accounting with a system of credit or deficiency assessment in any amount by which the estimate differs from the tax due hereunder.

(3) Every motor carrier primarily engaged in transporting pas-

sengers for hire shall pay to the department for the privilege of using the highways, including deadhead mileage, a mileage tax as follows: Buses with one to twenty regular seats, inclusive, none; buses with twenty-one to twenty-nine regular seats, inclusive, one-fourth of a cent per mile; buses with thirty to thirty-four regular seats, inclusive, one-half of a cent per mile; buses with thirty-five to thirty-nine regular seats, inclusive, three-fourths of a cent per mile; buses with forty regular seats or more, one cent per mile, except that taxicabs, city buses, industrial buses, suburban buses and U-Drive-Its shall pay the fees set forth in subsection (4) of this section.

(4) Taxicabs, city, suburban and industrial buses, and U-Drive-Its, shall pay the following annual license fees:

Each taxicab	$3.00 per seat
Each city bus	$5.00 per vehicle
Each industrial bus	$2.50 per seat
Each suburban bus	$5.00 per vehicle
Each U-Drive-It passenger car	$2.50 per seat

(5) All cities of the Commonwealth are hereby authorized to impose an annual license tax on all taxicabs certificated by the department for operation in said city, which license tax shall not exceed thirty dollars per taxicab.

(6) Subsections (2) and (4) of this section shall become effective as of January 1, 1961.

Section 9. Section 281.830 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Except as otherwise provided in KRS 138.470, 186.020 and 186.050 and in subsection (2) of this section, the fees and taxes prescribed by this chapter shall be in addition to the fees and taxes prescribed by any other law of this state.

(2) No city may impose a license fee or tax upon any motor vehicle operated under a certificate or permit, except that a city may impose a license fee or tax upon a taxicab as set out in subsection (5) of KRS 281.815.

Section 10. Section 281.990 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Any person who violates, or causes, aids or abets any violation of, any of the provisions of this chapter or any order, rule or regulation lawfully issued pursuant to authority granted by this chapter, or who knowingly makes any false or erroneous statement, report or representation to the Department of Motor Transportation with respect to any matter placed under the jurisdiction of the department by this chapter, or who knowingly makes any false entry in the accounts or records required to be kept pursuant to the authority granted by this chapter, or who knowingly fails to keep, or

knowingly destroys or mutilates, any such accounts or records, shall be fined not less than fifteen dollars nor more than two hundred dollars, or imprisoned for not more than thirty days, or both. Every device to evade or to prevent the application of any provision of this chapter, or any lawful order, rule or regulation of the department issued pursuant thereto, shall constitute a violation thereof.

(2) Any person who violates Section 281.615 of the Kentucky Revised Statutes shall be fined not less than fifty dollars nor more than two hundred dollars, or imprisoned for not more than thirty days or both.

(3) In addition to the penalties prescribed in subsection (1) of this section, in case of violation by any person in whose name an industrial bus is licensed, such person shall forfeit all certificates and permits held by him, and shall not be eligible to hold any certificate or permit for a period of five years thereafter.

Section 11. Section 281.752 of the Kentucky Revised Statutes is hereby amended to read as follows:

The department may, by regulation, prescribe and charge a fee, not to exceed one dollar in each instance, for the issuance of such identifying plates, decals, cards, signs or papers, for the identification of motor vehicles operated by carriers or motor carriers under the jurisdiction of the department, which vehicles have been qualified for, and have been granted reciprocal privileges in Kentucky in regard to motor vehicle registration fees and highway use taxes. The Commissioner may by reciprocal agreement with the proper officials of other jurisdictions waive such fees applicable to residents of such other jurisdictions which afford like privileges to residents of Kentucky.

Section 12. Section 281.825 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) The mileage tax imposed by KRS 281.815 shall be paid monthly. To insure payment of the mileage tax, no certificate or permit or renewal thereof authorizing the transportation of persons for hire shall be issued until there has been filed with the department a bond in an amount estimated by the department to be three times the amount due for one month, or, in lieu thereof, cash of an equivalent amount.

(2) (a) If any person required to pay a weight tax or seat tax under KRS 281.810, 281.813, 281.815, 281.816 or 281.818 begins the operation of any motor vehicle covered by those sections after January 1 in any year the license fee shall be as many twelfths of the annual fee as there are unexpired months in the calendar year. Provided, however, that nothing in this section shall apply to any motor vehicle licensed by its current owner under the provisions of either KRS Chapter 186 or KRS Chapter 281 during the immediately preceding calendar year.

(b) The department shall have the power to promulgate regulations to insure that the total license fees paid for any vehicle for any calendar year shall not be more than the total annual fee for such vehicle.

(3) When any motor vehicle that has been licensed by the department is destroyed by fire, sold or transferred to any person, or is not to be used further on the highways of this state for hire by the person to whom it was licensed, such person may surrender the tag or certificate of such motor vehicle issued by the department, and upon satisfactory proof to the department that the motor vehicle will not be further used on the highways of this state during the current license period in a for-hire operation by such person, the department shall give credit to such person for the amount of the unearned portion of the tax paid, upon another motor vehicle belonging to such person which is to be put into service in that year. No cash refunds shall be made in any event and no credit shall be given in excess of the fractional year's tax on the new motor vehicle for that year.

Section 13. A new section of Chapter 281 of the Kentucky Revised Statutes is hereby created to read as follows:

(1) Upon the death of a certificate or permit holder, the properly qualified administrator or executor of the estate of the deceased certificate or permit holder may hold, control and transfer any certificate held by the decedent upon application and approval by the department, and further provided that should the administrator or executor find it necessary to hold the certificate or permit in excess of six months, he must first obtain written approval of the Commissioner of the department. Should the executor or administrator seek to transfer the certificate or permit to an heir or heirs of the deceased certificate or permit holder, such transfer shall be accomplished by application regularly filed, except that the Commissioner may waive any notice requirements otherwise applicable.

(2) Any individual or partnership holding a certificate or permit and desiring to operate as a corporation and having applied for and received their charter as a corporation shall file an application with the department seeking to transfer the certificate or certificates from one business organization to the other and in which event the Commissioner may waive any notice requirements otherwise applicable and assign the same for hearing as in other cases required by statute or rules and regulations.

Section 14. Sections 281.710 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any motor carrier who is a nonresident of this state may, prior to operating any motor vehicle for hire in this state, appoint a person residing in this state as agent upon whom process may be served, and shall maintain such agent so long as the carrier operates

a motor vehicle for hire in this state. The appointment shall be made by filing in the office of the department a statement giving the name and residence of the agent. If the motor carrier is an individual, the statement shall be subscribed by him; if the motor carrier is a partnership, corporation or an unincorporated association or company, the statement shall be subscribed by a partner or by an officer. When any change is made in the agent, the motor carrier shall immediately file with the department a statement of the change, and the former agent shall remain agent for the purpose of service until the statement of appointment of the new agent is filed.

(2) Any motor carrier who fails to appoint a resident of this state as agent upon whom process may be served or fails to maintain such agent after his original appointment shall thereupon become subject to the provisions of KRS Chapter 188, and the Secretary of State shall be his agent for the service of process.

Section 15. Section 281.826 and Section 424.320 of the Kentucky Revised Statutes are repealed.

HB 335, AN ACT relating to salvage yards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person shall operate a salvage yard or junk yard adjacent to a public highway without raising between the yard and the highway a fense, wall, or hedge of height and density sufficient to conceal the yard from the view of highway travellers.

Section 2. Any person who violates this Act shall be fined not less than fifty or more than two hundred dollars.

HB 438, AN ACT relating to absent voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act:

(1) "Mail" means the delivery to a mail carrier or the deposit in a letter box or post office of a letter, with postage prepaid.

(2) "Abroad" means outside of the continental limits of the United States of America.

(3) "United States Services" means:

(a) Members of the Armed Forces while in the active service and their spouses and dependents.

(b) Members of the merchant marine of the United States, and their spouses and dependents.

(c) Civilian employees of the United States in all categories serving outside the territorial limits of the several States of the United States and the District of Columbia and their spouses and dependents when residing with or accompanying them, whether or not the employee is subject to the civil-service laws and the Classification Act of 1949, and whether or not paid from funds appropriated by the Congress.

(d) Members of religious groups or welfare agencies assisting members of the Armed Forces, who are officially attached to and serving with the Armed Forces, and their spouses and dependents.

Section 2. Section 126.150 of the Kentucky Revised Statutes is amended to read as follows:

Any absent voter may, at any time not less than fifteen days before an election, make an application in writing and by mail, on the form prescribed in KRS 126.160 or on form 76 issued under 5 USCA 2184, to the clerk of the county court of the county of his residence, for an absent voter's ballot.

Section 3. (1) On the 14th day prior to the election and beginning at 2:00 p.m., the County Board of Election Commissioners and the County Clerk, together with interested candidates or their representatives, and representatives of news media, shall examine all applications for an absent voter's ballot for the purpose of determining the voter's right to make application, as well as the validity of the form and method of submitting the application itself. The County Clerk shall have the registration records at the meeting. The County Clerk shall read the name of each applicant aloud, and the applicant and his application may be challenged by anyone present. The Board shall determine whether or not each application shall be accepted or rejected, and in so doing shall check the applicant's signature with his signature on the registration record and in the comparative signature books unless the applicant qualifies for absentee registration under this Act. If the application is rejected it shall be so marked and the voter notified of this fact and the reasons therefor. No ballot shall be sent in response to a rejected application or prior to the examination provided for in this section.

(2) The provisons of subsection (1) of this section shall not apply to applications submitted by members of the United State Services.

(3) The county clerk shall, however, retain the envelope or post card used by any member of the United States Services for inspection and examination.

Section 4. Section 126.160 of the Kentucky Revised Statutes is amended to read as follows:

Applications for absent voter's ballots shall be signed and sworn to by the absent voter before a civil officer authorized by law to administer an oath, provided neither the officer nor his deputy is a candidate to be voted for at the election. Except as provided in Section 2 of this Act, the application shall be substantially in the following form:

"County Court Clerk of ____________________________ County,
______________________, Kentucky.

"I, ____________________________, state that I am a resident of the State of Kentucky and have been such for at least one year prior to the date hereof. I am a resident of ______________________, County and have been such for more than six months prior to said date and expect to be absent therefrom for the following reasons ____ at the election to be held on the ______ day of _______________, 19____, and will not vote elsewhere at said election, and am a resident of ____________ precinct of said county (or ________ Ward of the city of _______________, county of ________________), and have been such for at least sixty days prior to said date; that I reside at ________________, (house number and street address, if in city, or county road and nearest neighbor, if in county) that I will be at least eighteen years of age by the date of the next election, and that I am a duly qualified voter of said precinct (or said ward), and I am affiliated with the ________________ political party; I request that an official ballot be mailed to me at the following address:

____

(Name and address)

____

(Rank and Unit if member of Armed Forces)

____

(Department of United States Government if an employe or the wife of an employe stationed abroad)

____

(Voter must sign here, and oath must be administered and attested).

"subscribed and sworn to before me this __________ day of
____________________, 19____.

____

(Name and Official Title)"

Section 5. Section 126.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon receipt of any application for an absent voter's ballot, the county court clerk shall examine the registration books for the purpose of ascertaining whether or not the applicant is a registered voter as stated in the application. If the county court clerk finds that the applicant is so registered, he shall forward a ballot to the voter as provided in KRS 126.190, subject to the provisions of Section 3 of this Act. If the county clerk does not find the applicant to be so registered, and if the application does not indicate that the applicant is a member of the United States Services who must remain away from his legal residence, the clerk shall immediately mail a letter to the applicant, at the address stated in the application, advising him that his application cannot be honored because of the fact that he is

not registered, and advising him what period of time, if any, remains in which he may register prior to such election, and the clerk shall place the application in a file entitled "Nonregistered Applicants for Absent Voters' Ballots." If the clerk thereafter, and prior to the election, receives notice from the applicant advising the clerk that the applicant has registered, the clerk shall again examine the registration books, and if he finds that the applicant has registered he shall remove the application from the nonregistered applicants' file and forward a ballot as provided in KRS 126.190, subject to the provisions of Section 3 of this Act. Any applications not so removed from the nonregistered applicants' file shall be retained in such file until thirty days after the election, when they shall be burned by the clerk in the presence of the judge and sheriff of the county. If the application of a person found not to be registered indicates that the applicant is a member of the United States Services who must remain away from his legal residence, the county court clerk, upon being satisfied that the applicant is entitled to be registered, shall cause the applicant to be registered in the registration records of the proper precinct, and shall mark upon such registration records the words "Absentee Registration." Such registration may be made at any time prior to the election for which an absent voter's ballot is applied for.

(2) Any person who has been registered under the provisions of subsection (1) of this section shall be required to re-register in person upon his first return to the county of his residence at a time when the books are open.

(3) The oath required of a member of the United States Services may be administered and attested by any commissioned officer in the active service of the Armed Forces, or any member of the Merchant Marine of the United States designated for this purpose by the Secretary of Commerce, or any civilian official empowered by State or Federal Law to administer oaths.

Section 6. Section 126.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county court clerk of each county shall cause to be prepared and printed an appropriate number of outer envelopes for absent voter's ballots, which shall bear the words "Absent Voter's Ballot" and shall also bear the address and official title of the county court clerk.

(2) The county clerk shall also cause to be printed an appropriate number of outer envelopes for United States service absent voters' ballots. The county court clerk shall insure that there be printed across the face of each United States service absent voter's outer envelope two parellel red horizontal bars, each ¼″ wide, extending from one side of the envelope to the other side with an intervening space of ¼″, the top bar to be 1¼″ from the top of the envelope, and with the words "OFFICIAL ELECTION BALLOTING MATERIAL

–VIA AIR MAIL" or similar language between the bars; that there be printed in the upper right corner of each such envelope, in a box, the words "Free of United States Postage, Including Air Mail", that all printing on the face of each such envelope be in red; and that there be printed in red in the upper left corner of each envelope, the address and official title of the County Court Clerk.

Section 7. Section 126.210 of the Kentucky Revised Statutes is amended to read as follows:

The Secretary of State shall cause to be prepared and printed an appropriate number of inner envelopes for absent voter's ballots, for all counties. Each such envelope shall be gummed, ready for sealing. Upon one side of such envelope shall be printed, in substantially the following form:

OFFICIAL ABSENT VOTER'S BALLOT

Name of Voter --
Residence (street and number, if any) --------------------------
----
County of ---
City or town of --

On the other side of such envelope shall be printed the following oath:

"I do hereby swear (or affirm) that I am a citizen of the United States and am now of the age of at least eighten years or will be on the day of the election to be held on the -------- day of ------------, 19----, (here insert the day of the election,) that I will have been a resident of the State of Kentucky for at least one year next preceding such election, and a resident of the County of --------------, for more than six months preceding such election, and a resident of ----------, precinct of said County (or ---------- ward of the city of ------------, County of ------------) at least sixty days preceding such election; that I am a duly qualified voter of said precinct or said ward, and I am affiliated with the -------------- political party; that for the following reasons -------------------------------- -------------------------------- I expect to be absent from said precinct or ward at the time of said election.

(Voter must sign here, and oath must be administered and attested.)

"Subscribed and sworn to before me this ---------- day of --------------------------------.

(Official Title)

Such oath shall constitute prima facie evidence that the voter is qualified to vote, unless the statements contained in such oath indicate the contrary.

Section 8. Section 126.230 of the Kentucky Revised Statutes is amended to read as follows:

When the absent voter receives the ballot and the two envelopes, he shall go before some civil officer authorized by law to administer an oath, provided neither the officer nor his deputy is a candidate to be voted for at the election, and before him make and subscribe to the affidavit on the face of the envelope and shall, in the presence of such officer and no one else, mark the ballot so as to indicate the way he desires to vote, but in such manner as to prevent the officer from knowing how the ballot is marked or how he has voted. He shall then, and while in the presence of the officer, fold the ballot in such way as to conceal the markings made thereon by him, and after the ballot has been so folded, he shall enclose it in the inner envelope; then seal said envelope and then enclose it in the outer envelope; then seal and write his name across the face of the outer envelope, and at once mail it to the county court clerk.

Section 9. A new section of the Kentucky Revised Statutes is created to read as follows:

Where it appears that a person who has voted an absent ballot is present in the county on the day of the election, such voter's absent ballot shall not be counted.

HB 444, AN ACT relating to the conduct of public officers and employes, prohibiting conflict of interests, and establishing penalties for violations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The purpose of this Act is to prescribe specific standards to guide public officers and employes in the conduct of their offices or employment, and to proscribe improper conduct to the extent to which such conduct may be sufficiently described to enable statutory prohibitions against it to be properly enforced. It is at the same time recognized that under a free government it is both necessary and desirable that all citizens should have certain specific interests in the decisions of government, and that the activities and conduct of public officers and employes should not be unduly circumscribed.

Section 2. As used in this Act, except as may be otherwise indicated by the context:

(a) "Agency" means any of the departments of the State Government, and any division, board, bureau, commission or other instrumentality within such department and any independent State authority, commission, instrumentality or agency, but it does not include an authority, commission, instrumentality or agency created pursuant to compact or agreement between or among the State of Kentucky and another state or states.

(b) "Officer or employe" means a person holding an office, position or employment in an agency, but it does not include persons who serve without salary or other payment for their services.

(c) "Compensation" means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered, but it does not include the salary or other payment provided by law or apropriation for services rendered in a public office, position or employment.

Section 3. No member of the General Assembly, or officer or employe thereof, or officer or employe of an agency as defined in this Act, shall knowingly receive or agree to receive, directly or indirectly, compensation for any services to be rendered, either by himself or another, in negotiations with the State or an agency for the purchase by the State or an agency of an interest in real property. This section shall not apply to appearances before any court, except that negotiations shall be prohibited as aforesaid at any time.

Section 4. No member of the General Assembly, or officer or employe of an agency, may be in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust, or corporation, in any contract or the performance of any work in the making or letting or administration of which such officer or employe may be called upon to act or vote. No such officer or employe may represent, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for any contract or work in regard to which such officer or employe may be called upon to act or vote. Nor may any such officer or employe take, solicit or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void. For the purposes of this section the holding of less than five percent of the stock of a corporation is not considered an interest.

Section 5. No member of the General Assembly, officer or employe thereof or officer or employe of any agency shall, for compensation, appear before an agency as an expert witness.

Section 6. No member of the General Assembly, officer or employe thereof, or officer or employ of any agency, shall act as officer or agent for the Commonwealth or any agency in the transaction of any business with himself, or with any corporation, company, association or firm in which he or his spouse has any interest greater than five percent, of the total value thereof.

Section 7. No member of the General Assembly may accept any appointment as an officer or employe of the Commonwealth or any agency unless he shall have first resigned his membership in the General Assembly, and it shall be unlawful for the State Treasurer to pay any salary by reason of such appointment until the resignation has been accepted by the officer having a duty to call a special election to fill the particular vacancy thereby created in the General Assembly.

Section 8. No member of the Legislature, officer or employe of an agency or appointee shall knowingly himself or by his partners or through any corporation which he controls or in which he owns or controls more than ten percent of the stock, or by any other person for his use or benefit or on his account, undertake, execute, hold or enjoy, in whole or in part, any contract, agreement, sale or purchase of the value of twenty-five dollars or more, made, entered into, awarded or granted by any agency, unless said contract, agreement, sale or purchase was made or let after public notice and competitive bidding.

Section 9. No officer employe or appointee of an agency, including persons who serve without salary or other payment for their services, shall knowingly receive or agree to receive, directly or indirectly, compensation for any services rendered or to be rendered, either by himself or another, in any cause, proceeding, application or other matter which is before said agency or before the department of state government in which said agency functions.

Section 10. Any person who violates any provision of this Act, upon conviction, shall be punished by confinement in the penitentiary for not less than six months, nor more than two years, or fined not less than two hundred dollars nor more than one thousand dollars, or both, and in addition he shall be adjudged to have forfeited any statutory office or employment which he may hold.

Section 11. The effective date of this Act shall be July 1, 1961.

HB 492, AN ACT to provide measures for highway safety through the control of highway signs and markings, length of house trailers, speed limits and flashing lights in the vicinity of highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. When it is determined, upon the basis of an engineering and traffic investigation at an intersection, that vehicle stop signs are more restrictive than necessary for the safe and efficient control of that intersection's vehicular movements, Yield Right of Way signs may be installed by the Department of Highways on one or more of the intersection approaches for the purpose of assigning right of way. The driver of a vehicle, in obedience to a Yield Right of Way sign shall yield right of way to vehicles not so obligated to yield or stop which are within the intersection or approaching so closely as to constitute an immediate hazard; but such driver, having so yielded, may proceed at such time as a safe interval occurs.

Section 2. KRS 189.330 is hereby amended to read as follows:

(1) When turning to the right at an intersection of highways, vehicles shall keep to the right of the center, and in turning to the left shall pass to the left of the center, keeping, however, as far to the right as possible to do so and still pass to the left of the center. In this subsection "center" means the meeting point of the medial lines of the two highways.

(2) Except as stated in subsection (3), (4), (5), (6) and (7), or where otherwise directed by a traffic officer, the operator of a vehicle shall yield the right of way at the intersection of their paths to a vehicle approaching from the right unless the vehicle approaching from the right is further from the point of intersection of their paths than the first named vehicle.

(3) A vehicle being operated upon any intercounty seat highway, designated state highway or boulevard, or any street which by ordinance has been designated as being equal in importance to a boulevard, need not yield the right of way to a vehicle approaching from the right where such a highway intersects another highway of lesser class. Any vehicle operated on the lesser class highway shall stop before entering a highway of a higher class, except as provided in subsection (6).

(4) Except as provided in subsection (6), the driver of a vehicle shall stop at the entrance to a through highway and shall yield the right of way to other vehicles which have entered the intersection from the through highway or which are approaching so closely on the highway as to constitute an immediate hazard, but the driver having so yielded may proceed and the drivers of all other vehicles approaching the intersection on the through highway shall yield the right of way to the vehicle so proceeding into or across the through highway.

(5) The driver of a vehicle shall likewise stop in obedience to a stop sign at an intersection where a stop sign is erected at one or more entrances to the intersection although part of a through highway does not form the intersection. He shall proceed cautiously, yielding to vehicles not so obliged to stop which are within the intersection or approaching so closely as to constitute an immediate hazard, but may then proceed.

(6) Whenever it is determined, upon the basis of an engineering and traffic investigation at an intersection, that the assignments of rights of way described in subsection (2), (3), (4) and (5) are more restrictive than necessary for the safe and efficient control of that intersection's vehicular and pedestrian movements, yield right of

way signs may be installed on one or more of the intersection approaches for the purpose of assigning right of way. The driver of a vehicle, in obedience to a yield right of way sign shall yield right of way to vehicles and pedestrians not so obliged to yield or stop which are within the intersection or approaching so closely as to constitute an immediate hazard; but such driver, having so yielded, may proceed at such time as a safe interval occurs.

(7) The driver of a vehicle about to enter or cross a highway from a private road or driveway shall yield the right of way to all vehicles approaching on the highway.

Section 3. (1) It is unlawful for any house trailer to be towed on any highway in this State if it exceeds eight feet in width, or if the combined towing vehicle and house trailer exceeds thirty-five feet in length, one or both, unless and until a permit authorizing such towing of such house trailer shall have been issued by the Department of Highways as provided for motor trucks, tractors, semi-trailers and trailers in KRS 189.270.

(2) Any person, firm or corporation violating the provisions of this Act shall be fined not less than $20.00 nor more than $100.00.

Section 4. Not withstanding the provisions of KRS 189.390, Subsection (2) and (3), the Commissioner of Highways may establish by official order reasonable and safe speed limits on turnpikes and limited access highways constructed under the provisions of KRS 177.200 to 177.310 and KRS 177.410 to 177.570 not to exceed seventy miles per hour.

Section 5. (1) No person shall install or maintain a red, yellow, green or similarly colored flashing light within one hundred feet of the right of way of a state maintained highway for any purposes other than safety, highway construction, or emergency purposes.

(2) Any person who violates this Act shall be fined not less than $100.00 nor more than $1,000.00.

HB 493, AN ACT relating to employees of the Highway Department.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 176.040 of the Kentucky Revised Statutes is repealed.

HB 494, AN ACT relating to Highway Rights of Way, Including the Control and Eradication of Johnson Grass and Other Noxious Weeds Thereon.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 176.051 is amended to read as follows:

(1) The Department of Highways may keep all state right of ways free of the species of grass, sorghum, halepense, commonly known as Johnson grass which is a noxious weed; and, upon written request from any abutting property owner engaged in a program of eradication of Johnson grass shall cooperate with such abutting owner by eradicating such Johnson grass from abutting state right of ways. The Department may take steps to eradicate such grass by the use of chemicals or any other means found to be effective by the Department.

(2) When the Department undertakes to eradicate Johnson grass, and the abutting property owner has not requested the Department to aid in the eradication, the Department of Highways shall notify the owner or tenant, whichever may be operating the farm adjacent to the right of way, of the approximate date that the eradication work is to be performed. Notice shall be given to the owner or tenant so as to provide at least three days in which to allow the owner or tenant sufficient time to remove his livestock from the fields adjacent to the right of way on which the eradication work is to be performed. The Department shall advise the owner or tenant of land adjacent to the right of way treated of the nature of any chemicals used and of the probable effect such chemicals or process used will have on any livestock. The Department of Highways shall further advise said owner or tenant of the length of time required for the chemical action or reaction to dissipate to the point where there will be no harmful effects on the livestock.

HB 498, AN ACT relating to issuance of general obligation bonds of the Commonwealth for state parks and for highways, bridges and tunnels.

WHEREAS, by Chapter 3, Acts of the Second Extraordinary Session of 1956, the General Assembly authorized issuance by the Commonwealth of its general obligation bonds in the principal amount of one hundred million dollars to match federal funds for construction of highways, bridges and tunnels; and according to Section 50 of the Constitution of the Commonwealth, provided for submission of said Act to the voters at the general election on November 6, 1956; and

WHEREAS, said Act was duly approved and issuance of said bonds authorized by an overwhelming majority at said election, and subsequently seventy million dollars of said bonds have been issued; but in said Act it was and is provided that the bonds be sold for not less than their par or face amount, and that none of such bonds bear interest at a rate exceeding three per cent per annum, payable semi-annually; and by reason of unfavorable changes in financial conditions, which were not foreseen or anticipated, the Commonwealth for a number of months has been unable to sell the authorized and unissued thirty million dollars of said bonds upon permissible terms, despite increasingly urgent and critical need for the proceeds thereof for the proper designated purposes, with the result that the highway construction program of the Commonwealth has virtually been brought to a standstill; and

WHEREAS, The General Assembly recognizes additional needs of the citizens of the Commonwealth for construction of highways, bridges and tunnels, and for the establishment and development of state parks and development and improvement of existing state parks; and

WHEREAS, in the event the said heretofore authorized but presently unissued thirty million dollars of bonds are successfully marketed under the above-stated restrictive conditions, or are made marketable, as herein proposed, by realistic removal by the voters of the three per cent interest rate limitation, it appears said additional forseeable needs will be sufficiently served if no more than one hundred million dollars of additional bonds are authorized to be issued from the proceeds of which ninety million dollars would be allocated to construction of highways, bridges and tunnels, and ten million dollars to establishment, development, and improvement of state parks; and the General Assembly deems it to be provident, expedient and in the public interest that this Act be duly submitted for approval of the citizens and voters in the manner contemplated by the Constitution of the Commonwealth; now therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Efforts to sell authorized and unissued bonds under existing restrictions to be continued; if effort unsuccessful, proposal to remove interest rate limit to be submitted to voters at an election.*

(a) The State Property and Building Commission (hereinafter sometimes referred to as the "Commission") is enjoined to continue its best efforts to sell and issue the heretofore unissued thirty million dollars of the Commonwealth's general obligation bonds, as provided in Chapter 3, Acts of the Second Extraordinary Session of 1956, which was approved by the voters at the election held on November 6, 1956 (such bonds, for convenience, being sometimes hereinafter referred to as the "unissued 1956 bonds"; and the aforesaid issue of which the same constitute a part being sometimes hereinafter referred to as the "1956 bonds"). In doing so, the Commission shall in all respects observe the restrictive conditions presently applicable to said unissued 1956 bonds, in that any sale or sales shall be for not less than par or face amount with accrued interest to delivery, and at a rate or rates of interest not exceeding, as to any bonds, three per cent per annum, payable semi-annually, and all of such bonds shall be caused to mature as to principal within thirty years from January 1, 1957.

(b) Unless said unissued 1956 bonds as successfully sold by the

Commission on or prior to August 31, 1960, a proposal as set forth in this Act shall be submitted to the qualified voters of the Commonwealth at the regular election scheduled by law to be held on November 8, 1960, seeking the voters' authorization and approval of removing, as to said unissued 1956 bonds, the three per cent interest rate limitation presently applicable thereto. Inasmuch as said unissued 1956 bonds have been taken into account in determining the amount of money otherwise necessary to be provided through issuance of additional bonds as hereinafter set forth, such proposal that the voters remove said existing interest rate limitation as to the unissued 1956 bonds shall appear on the ballots at the election to be held on November 8, 1960, as a part of the ballot question submitting for authorization and approval this Act as a whole and the proposed issuance of an additional one hundred million dollars of general obligation bonds of the Commonwealth for state parks, and for highways, bridges and tunnels, as hereinafter provided. In such event the form of the question which shall be caused to appear upon the ballots at the election on November 8, 1960, shall be as set forth in Section 6 of this Act.

(c) In the event the said unissued 1956 bonds are successfully sold by the Commission on or prior to August 31, 1960, according to the presently existing interest rate limitation, the Commission shall, not later than September 1, 1960, so notify the Secretary of State of the Commonwealth; and inasmuch as there will then no longer be any occasion to seek authorization of the voters for removal of said interest rate limitation, the question to appear upon the ballots submitting this Act for authorization and approval of the voters at the election on November 8, 1960, shall be as provided in Section 7 of this Act.

(d) Based upon representations made by the Commission as set forth in this Section 2, the Secretary of State shall, after September 1, 1960, determine whether the form of question to be used in submitting this Act to the voters for authorization and approval at the election on November 8, 1960, shall be as set forth in Section 6 hereof, or as set forth in Section 7 hereof, and shall certify the applicable form of ballot question to the respective County Court Clerks at the same time that candidates for public office are provided to be certified pursuant to KRS 119.140; and when each County Court Clerk causes the ballots to be printed according to KRS 118.190 the form of question so certified by the Secretary of State shall be caused to appear thereon with appropriate spaces for the voters to designate "Yes" or "No" as provided in KRS 118.170 (3).

Section 3. *Commonwealth to contract additional indebtedness not to exceed one hundred million dollars for parks, and for highways, bridges and tunnels; submission to voters at an election on November 8, 1960, according to Section 50 of the Constitution.* Subject to the provisions of Section 50 of the Constitution of the Commonwealth, as hereinafter provided, a direct indebtedness of the Commonwealth in the principal amount of one hundred million dollars, in addition to the 1956 bonds, and in addition to any and all other bonds and indebtedness of the Commonwealth, shall be incurred by the Commonwealth through issuance of its general obligation bonds, for the prompt payment of which when due, both principal and interest, the full faith, credit, resources and unlimited taxing power of the Commonwealth shall irrevocably be pledged; and from the proceeds thereof not to exceed ten million dollars shall be and are hereby appropriated and shall be used for establishment, development, and improvement of state parks and for development and improvement of existing state parks; and not to exceed ninety million dollars shall be and are hereby appropriated and shall be used for construction of highways, bridges, and tunnels, wherein there is to be federal cost participation (all of said bonds, for convenience, being sometimes hereinatef referred to as the "1960 bonds"). As provided in Section 50 of the Constitution of the Commonwealth, no part of said indebtedness shall be incurred unless authorized and approved by a majority vote upon submission to the voters at an election as hereinafter provided. Such submission shall be at the regular elections which are to be held on November 8, 1960.

Section 4. *Bonds for park purposes and bonds for highways, bridges and tunnels to be designated distinquishably; separation of proceeds.*

(a) Bonds of the ten million dollars authorized for state park purposes, and bonds of the ninety million dollars authorized for highways, bridges and tunnels shall be given separate and distinguishable designations by resolution of the Commission prior to the issuance of any of the 1960 bonds; and in all proceedings relating to authorization, sale and delivery the identity of the bonds shall be manifest; provided, however, the Commission may in its discretion, at one time or from time to time, offer for sale, upon the same occasion, all or any part of both of the separately designated blocks of bonds.

(b) The proceeds of bonds issued for park purposes shall be segregated by the Commssion from all other monies and funds and shall constitute the "State Park Acquisition and improvement Fund," hereby created; and expenditures therefrom shall be made upon order of the Commissioner of Parks subject to financial and budgetary precedures as may be provided by law only for costs of establishing, developing and improving state parks, and developing and improving existing state parks, and upon order of the Commission for defraying expenses incident to the issuance of bonds. Pending expenditure, such proceeds shall be deposited in one or more financal institutions, and each institution shall give security by making a valid pledge to the Commonwealth of United States Government securities approved by the Commission and having an aggregate market value at all times at least equal to the current balance of the deposit; provided, however, the Commission may, in its discretion, cause all or any part of the monies in the said "State Park Acquisition and Improvement Fund" to be invested and from time to time reinvested in United States Government securities, and income received from such investments shall be retained in said fund and may be invested and reinvested in like manner. Securities held for the account of said fund shall be converted into cash, upon order of the Commission, and disbursed and expended whenever required for the designated purposes of the Fund.

(c) The proceeds of bonds issued for highways, bridges and tunnels shall be segregated by the Commision from all other monies and funds and shall constitute the "State Highway Construction Fund of 1960," hereby created; and expenditures therefrom shall be made upon order of the Commissioner of Highways of the Commonwealth for construction of highways, bridges and tunnels wherein there is to be federal cost participation; and by the Commission for defraying expenses incident to the issuance of bonds. Pending expenditure, such proceeds may be deposited, secured, invested, reinvested and converted into cash in the same manner as is provided in subsection (b) with reference to the proceeds of the bonds issued for park purposes.

Section 5. *Bonds for park purposes and bonds for highways, bridges and tunnels to have separate sources of payment and interest; provisions for levying taxes as required by the Constitution.* All of said 1960 bonds shall, as aforesaid, be direct general obligation bonds of the Commonwealth and shall be issued with an irrevocable pledge of the full faith, credit, resources and unlimited taxing power of the Commonwealth, but in accordance with the mandatory requirement of Section 50 of the Constitution of the Commonwealth there shall be levied and collected, annually, taxes sufficient to pay the interest stipulated, and to discharge the debt within 30 years, as follows:

(a) In order to provide for the payment of the stipulated interest, and to discharge within 30 years the indebtedness to be eveidenced by the ten million dollars of 1960 bonds to be issued for acquisition, development and improvement of state parks and for development and improvement of existing state parks, there shall be levied and collected annually so long as any of such bonds are outstanding and unpaid, taxes of the Commonwealth upon all real property, tangible personal property, and intangible personal property from time to time subject to taxation by the Commonwealth, at rates not less than the rates now imposed by law or rates so adjusted as not in any event to jeopardize the prompt payment of principal of and interest on said bonds when due and payable. All proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ten million dollars of 1960 bonds designated for state park purposes, as and when such principal and interest, respectively, shall become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury in the "Park Bond Sinking Fund", hereby created, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said bonds when and where due and payable, until all of said bonds, or such lesser amount thereof as may have been issued within 30 years from date of first issue shall have ben paid in full. In each year, after setting aside such prescribed amount into the Park Bond Sinking Fund, the remainder of the proceeds of said indentified taxes shall be available for any proper general fund purposes of the Commonwealth without restriction.

Monies from time to time set aside and deposited in said Park Bond Sinking Fund, as hereinabove provided, may be invested by the State Investment Commission from time to time in U. S. Government securities which mature, or are subject to redemption at the option of the holder, at or before the various times when cash funds will be required for payment of the maturing principal of and interest on said identified bonds; an income received from such securities shall be retained in the said Park Bond Sinking Fund and may be taken into consideration in the next ensuing annual determination of the amount of such tax proceeds required to be set aside into the said fund as hereinabove provided.

(b) In order to provide for the payment of the stipulated interest, and to discharge within 30 years the indebtedness to be evidenced by the ninety million dollars of 1960 bonds to be issued for the construction of highways, bridges and tunnels there shall be levied and collected, annually, taxes of the Commonwealth for the benefit of the State Road Fund in the form of license, excise taxes and fees relating to registration, operation and use of vehicles on public highways and excise taxes, use and license fees and taxes relating to gasoline and other motor fuels consumed upon the public highways in the Commonwealth, at rates not less than the rates now imposed by law or at rates so adjusted as to produce for the Road Fund not less than the amount now derived from all such sources. Subject to certain prior vested rights hereinafter enumerated, all proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ninety million dollars of 1960 bonds designated for the highways, bridges and tunnels, as and when such principal and interest, respectively, become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury into the "Highway Bonds Sinking Fund of 1960", hereby created within the State Road Fund, and shall be held therein and disbursed and used upon order of the

State Treasurer solely for the purpose of paying the principal of and interest on said identified bonds when and where due, until all of said bonds, or such lesser amount thereof as may have been issued within such period of 30 years, shall have been paid in full; provided, however, monies in said fund may be invested pending disbursement as in the case of monies in the Park Bond Sinking Fund as herein above provided. In setting aside monies from the proceeds of such taxes and fees into the Highway Bond Sinking Fund of 1960, due regard shall be had for any and all vested rights in and to such proceeds existing in favor of (i) the holders of general obligation bonds of the Commonwealth heretofore or hereafter issued and outstanding pursuant to Chapter 3, Acts of the Second Extraordinary Session of 1956, as authorized and approved by the voters at the general election on November 6, 1956 (ii) the holders of revenue bonds issued for constructing the turnpike between Louisville and Elizabethtown, Kentucky, as provided in KRS Chapter 177 and in a certain trust agreement made in connection with the issuance of said bonds, including recognition of the commitment of the Commonwealth to pay the cost of maintaining, repairing and operating said turnpike (iii) the holders of revenue bonds issued for the construction of certain bridges as set forth in KRS Chapter 180 and in certain trust indentures securing such bridge revenue bonds, including the commitment of the Commonwealth to pay the cost of operating and maintaining such bridges (iv) the holders of valid contracts of the Department of Highways which are in existence on the respective dates any bonds are issued pursuant to this Act and (v) the right of the several counties of the Commonwealth to receive distribution of certain revenues for the respective County Road Funds as provided in KRS 47.020. The right is reserved to the Commonwealth to provide in the future for the construction of additional turnpikes and bridges and financing the same by issuing revenue bonds; and in all such instances the Commonwealth shall have the right to create for the security and source of payment of such revenue bonds a first and prior pledge of and lien upon any and all revenue identified as being generated by such respective projects. In each year, after setting aside into the 1960 Highway Bond Sinking Fund the amount herein prescribed, and after due recognition of the rights enumerated above, the remainder of the proceeds derived from such taxes and fees may be expended and used for any lawful and proper purposes of the State Road Fund as otherwise permitted by the Constitution and laws of the Commonwealth.

Section 6. In the event the unissued 1956 bonds are not sold by the Commission on or prior to August 31, 1960, as provided in Section 1 (b) of this Act, the form of the question which shall be caused to appear upon the ballots at the occasion of the general election to be held on November 8, 1960, shall be as follows:

GENERAL OBLIGATION BONDS OF THE COMMONWEALTH FOR HIGHWAYS AND PARKS

> "Are you in favor of the Act of the General Assembly known as House Bill No. ________, enacted at the regular session of 1960, wherein it is proposed to remove the three per cent interest rate limitation presently applicable and permit the otherwise lawful rate to apply to unissued bonds of the Commonwealth's issue of general obligation bonds for highways, bridges and tunnels, authorized by the voters at an election held on November 6, 1956, and that the Commonwealth issue and sell additional general obligation bonds in the principal sum of one hundred million dollars from the proceeds of which ten million dollars will be set aside for establishing, developing, and improving state parks and developing and improving existing state parks, and ninety million dollars will be set aside for constructing and improving highways, bridges and tunnels in the Commonwealth wherein there is to be federal cost participation?"

Section 7. In the event the said unissued 1956 bonds are sold by the Commission on or prior to August 31, 1960, the form of the question which shall be caused to appear on the ballots at the occasion of said general election to be held November 8, 1960, shall be as follows:

GENERAL OBLIGATION BONDS OF THE COMMONWEALTH FOR HIGHWAYS AND PARKS

> "Are you in favor of the Act of the General Assembly known as House Bill No. ________, enacted at the regular session of 1960, wherein it is proposed that the Commonwealth issue and sell its general obligation bonds, in addition to all bonds heretofore authorized by the voters, in the principal sum of one hundred million dollars from the proceeds of which ten million dollars will be set aside for establishing, developing, and improving state parks and developing and improving existing state parks, and ninety million dollars will be set aside for constructing and improving highways, bridges and tunnels in the Commonwealth wherein there is to be federal cost participation?"

Section 8. This Act shall be submitted to the people of the Commonwealth at the general election to be held on November 8, 1960. The fact of such submission shall be publicly advertised in the following ways:

(a) It shall be the duty of the Secretary of State, immediately after September 1, 1960, to determine whether the ballot question shall be the one set forth in Section 6 of this Act, or the one set forth in Section 7 hereof, and to inform the Attorney General of the Commonwealth of such determination. It shall then be the duty of the

Attorney General to prepare and furnish to the Secretary of State, not later than September 15, 1960, a form of "Notice of Election," which shall be so designated, shall conform to any requirements otherwise provided by law for notices of elections, and further shall set forth the proper ballot question in full, and this Act in full, with provisions for the signature of the Secretary of State.

The Secretary of State shall transmit a copy of such form of "Notice of Election" to each of five daily newspapers of bona fide general circulation, published in different areas of the Commonwealth and selected in the discretion of the Secretary of State, with directions that the same be published in each of such newspapers in the form of a legal notice, in one issue published in each of the calendar weeks commencing on Mondays, October 10, 17, 24, and 31, 1960, but not in any Sunday issue. Each such newspaper shall publish the same as directed, in the size type customarily used by it in publishing legal notices, and shall be entitled to payment according to its standard prevailing rate for publication of legal notices. After the last publication, each such newspaper shall provide to the Secretary of State, with or before its bill for publication, at least three copies of an affidavit sufficient to constitute proper proof of publication, and if the Secretary of State finds the same to be in order he shall be authorized to draw a warrant upon the State Treasurer for payment from uncommitted monies in the general fund of the Commonwealth.

(b) The Secretary of State shall deliver a copy of said form of "Notice of Election" to the State Printer, and thereupon the State Printer shall promptly prepare and furnish to the Secretary of State at least 125 copies of such notice in the form of handbills of sufficient size and type composition as to be ordinarily legible. The Secretary of State shall furnish a copy of the notice in such handbill form to the Clerk of the County Court of each County of the Commonwealth, and it shall be the duty of each County Court Clerk, upon receiving the same, to post the same at or near the County Courthouse door, or otherwise as notices of judicial sales and other Court proceedings are customarily posted.

(c) Each County Court Clerk shall cause a facsimile of the ballot question to be published as may be required by law.

(d) If the Secretary of State shall perform in proper and timely fashion each of the duties provided in this Section to be performed by him, any failure of others to perform duties and functions as herein provided shall not invalidate the election as to approval or disapproval of this Act, if upon consideration of the Commonwealth as a whole, it shall appear that the qualified voters were fairly apprised of the election.

Section 9. Said election shall be conducted in conjunction with the regular elections otherwise provided by law to be held on the same day, by the same election officers and at the same polling places. The votes cast in favor of and against this Act shall be canvassed and certified to the State Board of Election Commissioners as in the case of votes cast in the election of officers of the state at large. If it be found that a majority of votes cast on the question were in favor of this Act, the State Board of Election Commissioners shall so certify to the Governor and the Governor shall proclaim that this Act has been approved and is in effect.

Section 10. If the question submitting this Act to the people at said election on November 8, 1960, shall have been in the form set forth in Section 6 hereof, then from and after the proclaiming by the Governor that this Act has been approved and is in effect, any unissued bonds of the issue for highways, bridges and tunnels, as proposed by Chapter 3, Acts of the Second Extraordinary Session of 1956, approved and authorized by the voters at the election held on November 6, 1956, as aforesaid, may be sold and issued by the Commission, at one time or from time to time, in strict conformity with all provisions of said Chapter 3, Acts of the Second Extraordinarl Session of 1956, with the sole exception that pursuant to the voters' authorization and approval of this Act, the heretofore prevailing interest rate limitation of three per cent per annum may be disregarded and any or all of said bonds may be sold and issued to bear any interest rate or not exceeding the then prevailing maximum rate as prescribed by statute in and for the Commonwealth generally.

Section 11. *Bonds to mature in thirty years; other details to be established by the State Property and Buildings Commission.* If this Act be approved by a majority of the votes cast thereon at said election, the initial date of issue of the 1960 bonds shall be established by resolution of the State Property and Buildings Commission prior to the first issuance and sale of any of said bonds; and thereafter all of the 1960 bonds, whenever issued, shall be dated as of said date, and shall mature as to principal on or prior to the thirtieth anniversary thereof. The bonds shall be sold for not less than par or face amount and shall bear interest at such rate or rates, but not to exceed the rate referred to in Section 10 hereof, as said Commission may determine, and interest may be made payable semi-annually. The bonds may be issued at one time or from time to time as the State Property and Buildings Commission may determine by its resolution or resolutions; and said Commission shall in its discretion determine all details thereof, including but not by way of limitation, their denominations, whether the bonds shall be of term or serial maturities, and the amount which shall mature on any serial maturity date; whether the bonds, or any of them, shall be subject to redemption prior to stated maturities and upon what terms; place or places of payment of principal and interest, which may be within the Commonwealth or outside thereof; whether interest shall be evidenced by annexed coupons;

whether the bonds shall be registered or registerable as to principal or interest, or both, and any other details not contrary to law or inconsistent with this Act which in the discretion of said Commission may appear wise and expedient.

Section 12. *Bonds to be sold at public sale or sales; manner of advertising; interest rates to be established by the Commission, and may be determined on basis of competition.* The bonds shall be sold by the Commission, in its discretion, at one sale or from time to time as funds are required for the identified purposes. Each sale shall be upon sealed purchase bids which shall be publicly opened and considered after solicitation at least ten days in advance by publication of a notice at least one time in a financial newspaper or journal published in the City and State of New York, and at least one time in a daily newspaper published in the Commonwealth and of bona fide general circulation throughout the Commonwealth. The Commission may fix one or more interest rates by resolutions adopted prior to publication of the solicitation notice, or may notify bidders to stipulate in their bids one or more interest rates of their own choosing and fix the rate or rates by resolution when action is taken upon the bids. The Commission shall reserve the right to reject bids.

Section 13. *Bonds exempt from taxation; designation of signing officers; temporary bonds or certificates, no other approvals required.* The bonds and receipt of interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions, municipalities and taxing districts. The bonds shall be signed in the name of the Commonwealth by the facsimile signatures of the Governor and Treasurer of the Commonwealth, and the Great Seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the validating manual signature of the Secretary of State, and the interest coupons, if any, shall be executed by the facsimile signature of the Treasurer. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before delivery of the bonds, such signature or facsimile thereof shall, nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. All bonds issued under this Act shall have and are hereby declared to have all the incidents of negotiable instruments. Prior to the preparation of definitive bonds, the Commission may issue temporary bonds or certificates, exchangeable for definitive bonds when the same shall have been executed and are ready for delivery; and provision may also be made for the replacement of any bonds which shall become mutilated, or be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth and without any other proceedings or the happening of any conditions, events or things other than the proceedings, conditions, events and things which are specifically required by this Act.

Section 14. As used in this Act, "year" means the fiscal year of the Commonwealth, commencing on the first day of July, and ending on the next ensuing thirtieth day of June, unless the context clearly shows a different meaning.

HB 163, AN ACT to promote better understanding between the races, discourage discrimination, and to establish a commission on Human Rights, designating the members thereof, defining its duties and powers, and making an appropriation thereto.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, discrimination shall mean any unfair treatment based on race or national ancestry.

Section 2. There is hereby created a commission on Human Rights. The commission shall consist of eleven members, one to be appointed from each Congressional district and three from the state at large. The Governor shall appoint all members, and shall name one member as chairman. Of the eleven members first appointed, three shall serve for one year, four for two years and four for three years. Thereafter all members of the commission shall be appointed for three years. In the event of the death or resignation of a member, his successor shall be appointed to serve the unexpired term for which such member had been appointed.

Section 3. The function of the commission shall be to encourage fair treatment for, to foster mutual understanding and respect among and to discourage discrimination against any racial or ethnic group or its members.

Section 4. The powers and duties of the Commission shall be:

(1) To employ an executive director and other necessary personnel within the limits of funds made available.

(2) To conduct research projects or make studies into and public reports on discrimination in Kentucky.

(3) To receive and investigate complaints of discrimination and to recommend ways of eliminating any injustices occasioned thereby.

(4) To hold public hearings and request the attendance of witnesses.

(5) To cooperate with other organzations, public and private, to discourage discrimination.

(6) To encourage fair treatment for all persons regardless of race or national ancestry.

(7) To make an annual report to the Governor of its activities under this Act.

Section 5. To carry out the purposes of this Act, there is appropriated to the commission out of the General Expenditure Fund in the State Treasury the sum of twelve thousand five hundred dollars for the 1960-61 fiscal year, and twelve thousand five hundred dollars for the 1961-62 fiscal year.

Section 6. The Commission created by Section 2 of this Act shall be and remain only a forum for minority groups to seek peaceful solutions of racial problems, and nothing in this Act shall be construed to give to the Commission any power or authority to promulgate rules or regulations except those necessary for its own internal organization and operation, nor to execute any law or regulation, nor to otherwise do or perform any act or thing whatsoever designed to, or resulting in the forced integration of any privately owned or operated business, facility or other activity.

Senator Ware moved that the Senate do now adjourn until twelve noon, March 11. Agreed.

FRIDAY, MARCH 11, 1960

FIFTY-FOURTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Edward L. Tullis of the First Methodist Church of Frankfort.

The roll was called. All present.

Reading of the Journal for March 10 dispensed with and the same approved on motion of Senator Richmond.

House Message

Announcing passage of **HB 280, HB 282, HB 327, HB 328, HB 349, HB 356, HB 366, HB 416, HB 446, HB 449, HB 457, HB 474, HB 506, HB 511, HB 485, HR 79, HR 112, HR 115, HR 117, HR 118, HR 119.**

Motions

Senator Ware moved that when the Senate adjourns today that it adjourn to meet again at seven p.m., March 14. Agreed.

Senator Ware moved the adoption of **HR 118.** Agreed.

HR 118, A CONCURRENT RESOLUTION inviting the Woodmen of the World Life Insurance Society to locate its national headquarters in Kentucky.

WHEREAS, the central location of Kentucky gives transportation advantages to nation-wide organizations that locate their main offices here, in addition to the many other advantages of Kentucky, and

WHEREAS, location in Kentucky of the National Headquarters of the Woodmen of the World Life Insurance Society would benefit both the state and the company, and would fit into Kentucky's current economic development program;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Woodmen of the World Life Insurance Society is invited to locate its national headquarters in Kentucky.

Section 2. That steps be taken to inform the Society of the adoption of this resolution, and of the warm welcome and hospitable reception that would be accorded to the Society and its officers and employees.

Senator C. S. Howard moved the adoption of **HR 64.** Agreed.

HR 64, A JOINT RESOLUTION requesting the Federal Government to assist the Commonwealth of Kentucky in collecting its retail sales and use taxes on Federal military reservations, installations, and property in Kentucky.

WHEREAS, House Bill No. 75, which provides for a retail sales and use tax on tangible personal property in the Commonwealth of Kentucky and which becomes effective July 1, 1960, was passed by the 1960 Session of the Kentucky General Assembly; and

WHEREAS, tangible personal property is bought and sold on Federal military reservations, installations, and property located in the Commonwealth of Kentucky through private concessionaires and military post exchanges; and

WHEREAS, under Public Law 279 of the 80th Congress, it is provided that no person shall be relieved from liability for payment of, collection of, or accounting for any sales or use taxes levied by any state or by any duly constituted taxing authority therein having jurisdiction to levy such a tax on the ground that the sale or use with respect to which such tax is levied occurred in whole or in part within a Federal area;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Federal Government assist the tax collecting authority of the Commonwealth of Kentucky in collecting all sales and use taxes due it on sales and use transactions occurring upon all Federal military reservations, installations, and property located within the boundaries of the Commonwealth of Kentucky.

Section 2. That a copy of this resolution be sent to the Secretary of Defense, Washington, D. C.; Secretary of the Treasury, Washington, D. C.; Honorable John Sherman Cooper, Thruston B. Morton, Frank W. Burke, Frank Chelf, John C. Watts, Brent Spence, Carl D. Perkins, Eugene Siler, Frank A. Stubblefield, and William H. Natcher, Washington, D. C.; and to the Commanding Officer of each military reservation, installation, and property located in Kentucky.

Senator Hehl moved the adoption of **SR 57.** Agreed.

SR 57, A RESOLUTION commending the Cherokee District of the Dan Beard Council of the Boy Scouts of America, and expressing the appreciation of the members of the Senate for the kind invitation to attend and take part in the dedication of the Dan Beard Trailway on April the third, 1960.

WHEREAS, in this year which marks the Golden Anniversary of the founding of the Boy Scouts of America, the Cherokee District of the Dan Beard Council of Boy Scouts of America in connection with this anniversary will dedicate the Dan Beard Trailway on April the third; and

WHEREAS, the Dan Beard Trailway passes through an area of Kentucky replete with historical sites, which will in this year and in years hence be visited by Boy Scouts from throughout the central section of the United States; and

WHEREAS, the historical part that the Commonwealth of Kentucky played in the history of this nation will become better known and appreciated by means of these annual pilgrimages along the Dan Beard Trailways; and

WHEREAS, the Cherokee District of the Dan Beard Council has honored the members of the Senate by extending an invitation to them to be present and take part in the dedication of the Dan Beard Trailway on April the third;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Cherokee District of the Dan Beard Council of the Boy Scouts of America be and is commended upon the opening of the Dan Beard Trailway.

Section 2. That the Cherokee District of the Dan Beard Council of the Boy Scouts of America be and is thanked by the members of the General Assembly for the kind invitation to attend and take part in the dedication of the Dan Beard Trailway on April the third, 1960.

Senator McCann moved the adoption of **SR 58.** Agreed.

SR 58, A CONCURRENT RESOLUTION petitioning the Secretary of Defense to designate one of the Nation's unknown dead of World War II as the unknown soldier of said war and to make arrangements for his final entombment.

WHEREAS, the unknown soldier of World War I, symbol of the many who died in that great struggle whose identities were impossible of ascertainment, rests in an honored spot of appropriate and symbolic dignity and beauty in Arlington National Cemetery; and

WHEREAS, it appears desirable that the unknown dead of World War II be similarly honored by the selection of one of their number as symbolic of all and by the designation of an appropriate spot as a site of his final entombment; and

WHEREAS, the citizens of the Commonwealth of Kentucky in common with the citizens of the other states of this great nation, feel that such a shrine is most appropriate and fitting as a memorial to all who have selflessly given their lives that this nation might remain free, and who, because their names are unknown cannot be honored individually; and

WHEREAS, such a shrine would not only be a lasting memorial to our unknown dead but would also serve as another reminder that the price of freedom with all its blessings, is constant and eternal vigilance, preparedness and willingness to make the supreme sacrifice;

NOW THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring:

That the Secretary of Defense of the United States of America designate one of the casualties of World War II, whose name is not known, as the unknown soldier of World War II.

Section 2. That an appropriate site be selected for the final resting place of such unknown soldier and that he be interred therein with full military ceremonies.

Section 3. That a suitable memorial structure be erected similar to that which marks the spot of the final resting place of the unknown soldier of World War I.

Section 4. That the clerk of the Senate of the Commonwealth of Kentucky cause copies of this resolution to be sent to the Secretary of Defense of the United States and to each member of the congressional delegation from Kentucky.

Senator Ware moved the adoption of **SR 59.** Agreed.

SR 59, A JOINT RESOLUTION directing the Legislative Research Commission to make further study of the banking laws.

WHEREAS, the Legislative Research Commission's study of the Model State Banking Code, conducted pursuant to Chapter 103 of the 1958 Acts, has shown the desirability of preparing a banking code especially for Kentucky;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission be directed to study a banking code that will be suitable for Kentucky, considering existing Kentucky laws and customs and usages, and to present its recommendations for such a code to the 1962 session of the General Assembly.

Section 2. That to advise it in preparing a Kentucky banking code, the Commission appoint an advisory committee whose members shall be composed of bankers, representatives of other interested groups, and public-minded citizens.

Section 3. That as part of this program the Commission distribute reports of its study of the Model State Banking Code to all interested parties.

Senator Bishop moved the adoption of **SR 51.** Agreed.

SR 51, A CONCURRENT RESOLUTION relating to the Department of Highways and the Department of Fish and Wild Life Resources.

WHEREAS, new roads will undoubtedly be under construction through parts of eastern Kentucky that will cross gorges and valleys that are unproductive farming land; and

WHEREAS, these gorges and valleys can be filled at approximately the same expense as will be necessary to bridge the gorge, thus creating many small lakes and making suitable reservoirs for fishing,

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Department of Highways be requested to inform the Department of Fish and Wild Life Resources of all such planned road construction and to supply them with a map showing the location of the roads.

Section 2. That upon receiving this information the Department of Fish and Wild Life Resources study the proposed roads in relation to possible lake sites and make the necessary surveys and reports back to the Department of Highways.

Section 3. That these two Departments, working closely together, build a system of Highways and lakes that will be a great factor in tourist promotion throughout the State, and especially in eastern Kentucky.

Section 4. That a copy of this resolution be sent to the Governor of this Commonwealth, the Commissioner of Highways and the Commissioner of Fish and Wild Life Resources.

Introduction of Bills and Resolutions

SR 60, by Senator Blake: A CONCURRENT RESOLUTION directing the Division of Parks to allocate the sum of fifty thousand dollars from their appropriated funds for the purpose of constructing a swimming pool in Blue Lick Park.

SB 283, by Senators C. H. Davis, Bishop, Kelly and Martin: AN ACT relating to the Department of Mines and Minerals.

Report of Committee

Rules Committee reported **SB 280, HR 32, HB 426, HB 52, HB 464, SB 281, HB 95, HB 340, HB 331, HB 358, HB 361, SB 125, SB 108,** with amendment, with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 280, AN ACT relating to public library districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) "District" means "public library district"; and

(2) "Board" means the board of trustees of a public library district.

Section 2. All of the territory in a county, or in two or more counties contiguous to each other may be organized into a public library district for the purpose of levying a tax to pay for establishing, equipping, maintaining and administering libraries, or for contracting for library service from any existing library.

Section 3. Districts shall be organized in the following manner:

(1) Upon the filing of a duly certified petition of one hundred or more duly qualified voters in each county to be included within the territorial limits of the proposed district, the fiscal court of each county in the proposed districts shall adopt a resolution submitting to the qualified voters of the county the question as to whether a public library district should be established for the area. A certified copy of the order of the fiscal court shall be filed with the county court clerk at least sixty days prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of establishing a public library district for (insert names of counties) which shall have the authority to impose a special ad valorem tax for the maintenance and operation of the (insert name) public library district, provided that such special tax shall not exceed twenty cents on each one hundred dollars of the assessed valuation of all property in the district?"

(3) If a majority of those voting in each county on the question favor the establishment of a public library district it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the Constitution of Kentucky.

(4) All special ad valorem taxes authorized by this Act shall be collected in the same manner as are other county ad valorem taxes in each county affected and shall be turned over to the board as the

governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes.

Section 4. Upon the creation of a district, the fiscal court of each county in the district shall at once notify the Library Extension Division of the establishment of the district. The Library Extension Division shall then recommend to the county judge of each county in the district the names of suitable persons from that county to be appointed to the board. The Library Extension Division in recommending persons to the county judge for appointment to the board shall recommend twice as many persons for each county as the county is entitled to have members appointed, and the county judge shall immediately make his selection from those recommended. Where the district consists of one county, the county judge shall appoint five persons from that county as members. The Library Extenson Division shall prescribe by regulation the number of board members when the district consists of more than one county, provided that the board shall consist of not less than one nor more than four members from each county, each county having such number of members as the proportion of its population bears to the total population in the district, and that the total membership of the board consist of not less than five members. Where a county joins an already established district, the Library Extension Division shall recommend to the county judge of each county included in the new district twice as many persons for appointment to the board as the county is entitled to have appointed, and the county judge shall select the members for his county from this list. The terms of the members of the counties composing the previously existing district shall expire immediately upon the organization of the new board.

Section 5. (1) One-third of the persons first appointed to the board shall serve for a term of two years, one-third for a term of three years and one-third for a term of four years. Where the board consists of a number of members not divisible by three, one-third of the next higher number divisible by three, shall serve for a term of two years, one-third for a term of three years and the remaining number shall serve for a term of four years. Thereafter, as their terms expire, their successors shall be recommended and appointed in the same manner, but for a term of four years each. The members shall hold office until their respective successors are appointed and qualified.

(2) Any vacancy occurring in the terms of office of members shall be filled for the unexpired term by the county judge by appointment on recommendation of the Library Extension Division of two names for each vacancy from the county in which the vacancy occurred.

Section 6. Each board shall be a body corporate under the name and style of "——— Public Library District Board of Trustees." The members shall, as soon as possible after their appointment, adopt a seal and organize by electing a president, a secretary and a treasurer, each to serve for a term of two years and until his successor is elected and qualified. The treasurer shall give bond to the Commonwealth for the faithful performance of his duties, in such sum and form and with such sureties as the board shall approve. A majority of the board shall constitute a quorum.

Section 7. The members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties, upon vouchers duly approved by the board, signed by the secretary and countersigned by the president.

Section 8. (1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the Library Extension Division. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the Library Extension Division for this purpose. The board shall meet annually and at such other times as it deems necessary.

(2) The district, as a body corporate, by and through the board may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property.

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan. The interest paid shall not exceed six percent per annum and the principal shall not exceed fifty percent of the anticipated revenue for the fiscal year in which the money is borrowed.

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employes and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the Library Extension Division.

(4) The powers set forth in this section shall not be construed

to limit, restrict or modify any powers or authority granted by any other part of this Act or any other law not in conflict with the provisions of this section.

Section 9. The board shall appoint a district librarian and such assistant librarians as it deems necessary. The district librarian shall be certified in accordance with the provisions of KRS 171.240 to 171.300.

Section 10. The treasurer of the board shall:

(1) Have the custody of all money, securities and obligations belonging to that district, and shall disburse money only for the uses and purposes of the district and in the manner prescribed by the bylaws on itemized vouchers allowed by the board, signed by the secretary and countersigned by the president.

(2) Keep a full and accurate account of all receipts and payments in the manner directed by the bylaws, and such other accounts as the board prescribes.

(3) Render statements of accounts of the several books, funds and property in his custody when ever required by the board.

(4) Have all accounts and records fully made up to the last day preceding the annual meeting, and present the same to the board at its annual meeting.

Section 11. Every district established under this Act shall at all reasonable times keep open for the inspection of the Auditor of Public Accounts all of its records and books of accounts.

Section 12. The fiscal year of a district shall commence July 1st and close on June 30th.

Section 13. Within sixty days after the close of each fiscal year the board shall make a written report to the Library Extension Division. A copy of this report shall be filed with the county clerk of each county within the district. The report shall contain:

(1) an itemized statement of the various sums of money received for the district;

(2) an itemized statement of expenditures from the fund;

(3) a statement of the property acquired by devise, bequest, purchase, gift or otherwise during the fiscal year;

(4) a statement of the character of library service furnished to the district during the fiscal year; and

(5) any other statistics or information requested by the Library Extension Division.

Section 14. (1) The board may, in its discretion, employ or retain a regularly licensed attorney to advise them on all matters pertaining to their duties and shall have the discretion to delegate such authority to said attorney not forbidden by law. The attorney so employed or retained shall attend all meetings of the board, except executive sessions when the board does not desire his presence, when ever the board requests him to attend and shall advise the board on all legal matters on which he is requested to give advice.

(2) The board may fix the salary or compensation of the attorney provided for in subsection (1) of this section, in its discretion.

Section 15. Public library district librarians shall be required to attend all library workshops sponsored by the Library Extension Division, the actual and necessary expenses incident thereto being a charge against the district library fund.

Section 16. Public library districts may, in addition to all other methods provided by law, acquire, construct, and improve library facilities through the issuance of revenue bonds under the terms and provisions of KRS 58.010 to 58.140.

Section 17. (1) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by Section 3 of this Act shall not be increased or decreased unless it is submitted to the voters of the district at a general election and approved by a majority of the votes cast on the issue. The board or any one hundred qualified voters residing within the district may file a duly certified copy of a resolution or petition with the clerk of each county within the district at least forty-five days prior to the election and the clerk shall thereupon cause the question to be placed upon the ballot in substantially the following form: "Are you in favor of increasing (or decreasing) from (insert amount) cents to (insert amount) cents on each one hundred dollars of the assessed valuation of all property in the (insert name of public library district) public library district the maximum tax which the district can impose for the maintenance and operation of (insert name of district) public library district?"

(2) Any increase provided for in subsection (1) of this section shall not exceed twenty cents on each one hundred dollars of the assessed valuation of all property in the district.

Section 18. Counties outside of any existing district, and contiguous thereto, may be annexed to the district in the following manner:

(1) Upon filing with the fiscal court of a duly certified petition of one hundred or more qualified voters residing within each county proposed to be annexed, the fiscal court of each county in the district and each county proposed to be annexed shall adopt a resolution submitting to the qualified voters of the county the question as to whether the territory should be annexed. A certified copy of the order of the fiscal court shall be filed with the county clerk at least sixty days

prior to the next general election and thereupon the county clerk shall cause the question to be placed upon the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of annexing the following described territory (here describe the territory) to the (name district) public library district?"

(3) If the majority of those voting in each county on the question favor the annexation of the territory it shall be so annexed.

Section 19. A district may be dissolved in the following manner:

(1) Upon filing of a duly certified petition of ten percent or more of the qualified voters in the district or one hundred or more qualified voters in the district, whichever is more, the fiscal court of each county in the district shall adopt a resolution submitting to the qualified voters of the district the question as to whether the district shall be dissolved. A certified copy of the order of each fiscal court shall be filed with the county court clerk at least ninety days prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(2) The question shall be in substantially the following form: "Are you in favor of dissolving the (insert name of district) public library district?"

(3) If a majority of those voting on the question within the district favor the dissolution such district shall thereupon be dissolved.

Section 20. All election authorized by this Act shall be held and conducted in all respects under the general election laws obtaining in this Commonwealth at the time of the election.

Section 21. The results of the election in each county shall be certified by the county election commissioners to the county judge in each county. When more than one county is involved the county judges shall certify the results in their respective counties to the county judge of the county having the largest voting population.

HR 32, A JOINT RESOLUTION directing the Legislative Research Commission to make a study of mosquito-control programs

WHEREAS, expenditures of many thousands of dollars have been made and are being made each year by the Commonwealth of Kentucky for the temporary relief of persons and animals in several mosquito-infested areas of this Commonwealth;

WHEREAS, the spraying of these mosquito-infested areas affords only temporary relief of these areas;

WHEREAS, the swarms of salt-marsh and culex mosquitos in these infested areas are spreading to wider areas each year and constitute a serious menace to the health and welfare of a large section of the Commonwealth of Kentucky; and

WHEREAS, the General Assembly of the Commonwealth of Kentucky recognizes a need for formulating a program to bring about the permanent eradication of this mosquito menace, while at the same time continuing temporary relief to mosquito-infested areas;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is hereby empowered and directed to make a study of various methods employed by other states in organizing, financing and operating mosquito-control and mosquito-eradication programs.

Section 2. That the Legislative Research Commission in this endeavor be requested to communicate with the proper agencies of various states in which such programs are now operating.

Section 3. That the Legislative Research Commission formulate and present to the 1962 General Assembly a report of its findings and recommendations for mosquito-control and mosquito-eradication programs within the Commonwealth of Kentucky, including plans for joint financing of such programs by local, state and federal funds.

Section 4. That the sum of five thousand dollars be appropriated out of the general fund to the Legislative Research Commission for the purpose of making this study.

HB 426, AN ACT relating to loan and investment companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 291.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any five or more persons may organize a loan and investment company in cities of the first, second, third, fourth and fifth class upon the terms and conditions and subject to the liabilities prescribed in KRS 291.120 to 291.160.

(2) The name of the company shall not contain the word "bank". It shall not be necessary for any such company to use the word "incorporated" in addition to its corporate name, either in its place of business or on any printed or advertising matter.

(3) The capital stock of any such loan and investment company shall not be less than $25,000 if located in a city of the first, second, third or fourth class or less than $12,500 if located in a city of the fifth class. Fifty percent of the capital stock shall be paid in cash before the company may transact any business other than that relating to its formation and organiaztion, and the remainder of the capital stock shall be paid in money within one year after the company is

authorized to commence business at such times and in such amounts as the directors require.

HB 52, AN ACT relating to the effect of notarial acts performed by commissioned officers of the Armed Forces.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 384.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the acknowledgment of instruments and the performance of official acts in respect to instruments in the manner and form and as otherwise authorized by law, instruments may be acknowledged, documents attested, oaths and affirmations administered, depositions and affidavits executed, and other such official acts performed, before or by any commissioned officer in active service of the Armed Forces of the United States with the rank of second lieutenant or higher in the Army or Marine Corps, or with the rank of ensign or higher in the Navy or Coast Guard, or with equivalent rank in any other component part of the Armed Forces of the United States, by any person who either

(a) Is a member of the Armed Forces of the United States, or

(b) Is the spouse of a member of the Armed Forces of the United States, or

(c) Is serving as a merchant seaman outside the limits of the United States, or

(d) Is outside said limits by permission, assignment or direction of any department or official of the United States Government, in connection with any activity pertaining to the prosecution of any war in which the United States is then engaged.

(2) Such acknowledgment of instruments, attestation of documents, administration of oaths and affirmations, execution of depositions and affidavits, and performance of other notarial acts, heretofore or hereafter made or taken, are hereby declared legal, valid and binding, and instruments and documents so acknowledged, authenticated, or sworn to shall be admissible in evidence and eligible to record in this state under the same circumstances, and with the same force and effect as if such acknowledgment, attestation, oath, affirmation, deposition, affidavit, or other official act, had been made or taken within this state before or by a duly qualified officer or official and under his appropriate certificate and seal of office as otherwise provided by law.

(3) In the taking of acknowledgments and the performing of other notarial acts requiring certification, a certificate endorsed upon or attached to the instrument or document, which shows the date of the notarial act and which states, in substance, that the person appear-

ing before the officer acknowledges the instrument as his act or made or signed the instrument or document under oath, shall be sufficient for all intents and purposes.

(4) When the official signature of any such commissioned officer of the rank specified in subsection (1) of this section appears upon such instrument, document or certificate, it shall be prima facie evidence that the person making such oath or acknowledgment is within the purview of this section.

HB 464, AN ACT relating to the creation of water commissions by cities and water districts for the joint acquisition, operation and financing of sources of supply of water.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. As used in this act, unless the context requires otherwise "sources of supply of water" means and includes any or all of the following:

wells, impounding reservoirs, standpipes, storage tanks, pumps, machinery, purification plants, softening apparatus, trunk mains and all other appurtenances useful in connection with developing and furnishing a supply of water under pressure into the water distribution systems of the cities or water districts which are represented by a commission created pursuant to the provisions of this act.

2. In the interest of the public health and for the purpose of providing an adequate supply of water to cities and water districts any two or more cities or any two or more water districts organized under Chapter 74 of the Kentucky Revised Statutes or any combination of such cities and water districts may jointly acquire either by purchase or construction sources of supply of water and may operate jointly such sources of supply of water and improve and extend the same in the manner as provided in this act. The governing body of any city or water district desiring to avail themselves of the provisions of this act shall adopt a resolution or ordinance determining and electing to acquire and operate jointly sources of supply of water.

3. Upon the adoption of such an ordinance or resolution by the governing body of each such city or water district a certified copy thereof shall be filed with the county court of the county in which the cities or water districts proposing the creation of the commission having the greatest aggregate population are situated and upon such filing the court shall by appropriate order set a date for a public hearing on the creation of such commission and shall give reasonable notice of such public hearing which notice may be given in the manner as provided by Chapter 424 of the Kentucky Revised Statutes. Any resident of the cities or water districts proposing the creation of the commission may file objections and at the public hearing if the court

finds that the establishment of such a commission is reasonably necessary or advantageous for the public health, convenience and comfort of the residents of all such cities and water districts which proposed the creation of the commission it shall make an order establishing the commission and designating it by name which name shall include the words "Water Commission".

If the court does not find that the creation of a commission is reasonably necessary or advantageous it shall make an appropriate order in this regard. Any party in interest may thereupon appeal to the circuit court for a retrial, and from the circuit court to the Court of Appeals as provided by law or the cities and water districts may revise and readopt such ordinances or resolutions.

4. After the county court has made an order creating a water commission the presiding officer of each of the cities or water districts which proposed the creation of said commission with the approval of the governing body thereof shall appoint one commissioner and if the number of commissioners so appointed by the presiding officers of such cities or water districts shall equal or exceed five, then no further commissioners shall be appointed and such commissioners shall be and constitute the water commission.

If the number of commissioners appointed by the presiding officers of such cities or water districts shall be less than five, then the county judge of the county court which entered the order creating the commission shall appoint such additional commissioners to said commission as shall be necessarv to make the number of commissioners equal five. The commissioners so appointed shall constitute the commission which shall be a public corporation and a public body corporate and politic with the powers and duties specified in this act and which commission shall be a joint agency and instrumentality of the respective cities or water districts represented by said commission. The commission may in its corporate name contract and be contracted with, sue and be sued, adopt and alter at its pleasure a corporate seal and purchase, own, hold and dispose of all real and personal property as may be necessary for carrying out its corporate purpose under this act.

The commissioners originally appointed shall meet and select by lot their respective terms of office so that approximately one-third of the commissioners shall serve for a term of two years, a like number for a term of three years and the remaining commissioner or commissioners for a term of four years. Such terms shall be deemed to commence from the first day of the month during which the order of the county court creating the commission was entered.

Upon the expiration of the term of office of each of the commissioners a successor shall be appointed to succeed him for a term of four years and such appointment to be made in the same manner as the original appointment.

Each commissioner so appointed shall serve until their successors have been appointed and have qualified. Each commissioner shall be a resident of the cities or water districts which are represented by the commission. However, no person shall be eligible for appointment, if he has held an elective office in the State, any county or city, until one year after the expiration of the term for which he was last elected, and no officer or employee of any city, water district, political subdivision or other public body whether holding a paid or unpaid position shall be eligible for appointment as a commissioner. A commissioner is eligible for reappointment upon the expiration of his term. A vacancy shall be filled for the balance of the unexpired term in the same manner as that prescribed for the appointment of the person who has ceased to hold office. Each commissioner shall receive the same compensation which shall not be more than $500 per year, to be fixed by the commission and to be paid out of commission funds. Each commissioner shall furnish a bond for faithful performance of his official duties. This bond shall not be less than $5,000 and the amount thereof shall be fixed by the commission and its cost shall be paid by the commission.

Each commissioner may be removed by the official by whom he was appointed, for cause, after hearing by the appointing official and after at least ten days' notice in writing shall have been given to such commissioner, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the appointing official shall be final and removal results in vacancy in such office.

5. Such a commission shall organize by appointing a chairman from its own members and a secretary and a treasurer, who need not be commissioners. The secretary shall keep a record of all proceedings of the commission which shall be available for inspection as other public records. The treasurer shall be the lawful custodian of all funds of the commission and shall pay same out on orders authorized or approved by the commission. The secretary and treasurer shall perform such other duties appertaining to the affairs of the commission and shall receive such salaries as shall be prescribed by the commission, and either or both may be required to furnish bonds in sums to be fixed by the commission for the use and benefit of the commission. The commission shall adopt its own rules of procedure and provide for its meetings. The commission shall have full and complete supervision, management and control of the sources of supply of water as provided in the ordinances or resolutions for acquiring and operating same, and in their maintenance, operation and extension. The commission is authorized to contract with cities or water districts which are represented by the commission for furnishing a supply of

water to such parties for a period not exceeding fifty years and the governing bodies of such cities or water districts are authorized to enter into such contracts with the commission. For the purpose of acquiring all or any part of its sources of supply of water the commission is authorized to purchase from cities or water districts which are represented by the commission for mutually agreed terms without regard to actual value any sources of supply of water separate and apart from the water distribution systems of such parties and such cities or water districts are hereby authorized to convey such sources of supply of water to the commission without any election or voter approval notwithstanding any provision of any other law to the contrary; provided, however, in the event any such city or water district, has outstanding any obligations which by their terms are in any manner payable from the revenues of their waterworks distribution system, the proceeds received from any such conveyance shall be sufficient to retire all of such outstanding obligations including all interest accrued and to accrue thereon to the date of retirement thereof and such proceeds when received shall be set aside in a special fund and used for that purpose. The commission may appoint or contract for the services of officers, agents and employees, including engineers, attorneys, accountants, fiscal agents and other professional persons, prescribe their duties and fix their compensation.

6. For the purpose of acquiring, either by purchase or construction, sources of supply of water or for making improvements and extensions to sources of supply of water such a commission is authorized to issue revenue bonds payable solely from the revenues to be derived pursuant to water supply contracts with the cities, water districts, political subdivisions or other public bodies as herein provided and for that purpose the commission may issue such revenue bonds and be vested with all of the powers, duties and responsibilities including the power of condemnation as are delegated and granted to a "governmental agency" under the terms and provisions of Chapter 58 of the Kentucky Revised Statutes as said law now exists or as it may hereafter be amended and under said law the term "governmental agency" means the "commission" and the term "public project" means "source of supply of water".

7. When a commission has been created the cities or water districts represented by the commission shall contract with the commission for water and said contracts may provide that the sources of supply of water of the commission shall be the exclusive water supply for the respective water distribution systems of said cities and water districts. These cities or water districts shall establish such charges and rates of water supplied by them to consumers as will be sufficient at all times (1) to pay the principal of and interest on all outstanding obligations of said cities or water districts which by their terms are payable in any manner from the revenues of their respective water-

works distribution systems and (2) to pay the cost of operation and maintenance of their respective waterworks distribution systems including the payments to be made to the commission pursuant to contracts for the purchase of water by those cities or water districts. The commission shall establish such charges and rates for water supplied to those cities or water districts as will be sufficient at all times (1) to pay the principal of and interest on the revenue bonds issued by the commission under the provisions of this act, (2) to pay the cost of operation and maintenance of the sources of supply of water and (3) to provide an adequate fund for renewals, replacements and reserves. Contracts entered into between the commission and the cities or water districts shall include covenants for the establishment of rates and charges as provided in this section.

8. Such commission shall also have the right to supply water to any city, water districts, political subdivision or other public body, in addition to the cities or water districts which are represented by the commission, upon such payments, terms and conditions as may be mutually agreed upon, provided, however, that no capital expenditures shall be made by the commisson for the purpose of furnishing water to such other party or parties. Any such contract entered into to supply water to a city, water district, political subdivision, or other public body shall provide that payments to be made thereunder shall be solely from the revenues to be derived by such city, water district, political subdivision or other public body from the operation of the waterworks distribution system thereof and said contract shall be a continuing, valid and binding obligation of the city, water district, political subdivision or other public body, payable from such revenues for such period of years, not to exceed fifty, as may be provided in such contract. Any such contract shall not be a debt of any such city, water district, political subdivision or other public body within the meaning of any statutory or constitutional limitations.

9. After the creation of a Water Commission provided for by this Act a city or water district which did not participate in the creation of said Commission may participate in its operation and appoint a commissioner to serve on said commission in the following manner:

(1) The governing body of such city or water district shall adopt and file in the County Court which entered the order creating said commission an ordinance or resolution electing and requesting that it be permitted to be included in and represented by said commission in the same manner and to the same extent as if said city or water district had originally participated in the creation of said commission.

(2) Upon such filing the court shall by appropriate order set a date for a public hearing on the inclusion of such a city or water district in said commission, and shall give notice of such public hearing in the manner as provided by Section 3 of this Act. Any resident of the city or water district at the time represented by said commis-

sion, and any resident of the city or water district requesting to be included in and represented by said commission and to participate in its operation, may file objections, and at the public hearing if the court finds that the inclusion of such city or water district in said commission is reasonably necessary or advantageous for the public health, convenience and comfort of the residents of all cities and water districts represented by said commission, including the city or water district requesting to be included in said commission, and provided further that there shall be on file at the County Court a resolution adopted by said commission evidencing its willingness to have such city or water district included in and represented by said commission the court shall make an order authorizing the inclusion of such city or water district in the commission. If the court does not find that the inclusion of such city or water district is reasonably necessary or advantageous it shall make an appropriate order in this regard. Any party in interest may thereupon appeal to the Circuit Court for a retrial and from the Circuit Court to the Court of Appeals as provided by law.

(3) Upon the entering of the order by the County Court authorizing the inclusion of such city or water district in said commission the number of commissioners, if any, to be appointed to said commission by the County Court shall be reduced by one and the presiding officer, with the approval of the governing body of the city or water district which shall by virtue of said proceedings be included in and represented by said commission, shall appoint a commissioner whose term shall begin at the expiration of the term of the commissioner appointed by the County Court whose term shall first expire. In the event there is no commissioner on said commission appointed by the County Court the term of the commissioner appointed by the presiding officer of such city or water district shall be fixed so that the terms of approximately one-third of the commissioners will expire in each year.

10. Inasmuch as the activities of a commission created pursuant to this act are limited to the supply of water under contract to cities, water districts, political subdivisions or other public bodies as herein provided and such a commission has no authority to supply water to individual private consumers such a commission shall not be deemed to constitute a "utility" or "person" within the meaning and application of Chapter 278 of the Kentucky Revised Statutes and a Commission shall not be required to obtain a certificate of convenience and necessity from the Public Service Commission of Kentucky prior to the construction of any sources of supply of water nor shall said Public Service Commission have any jurisdiction over the operation, management and control of any sources of supply of water acquired by such a commission or any power or authority in connection with the rates and charges established by such a commission pursuant to

contracts with the cities, water districts, political subdivisions or other public bodies as herein otherwise provided.

11. This act shall constitute full and complete authority for the creation of water commissions and for carrying out the powers and duties of same as herein provided. The provisions of this act shall be liberally construed to accomplish its purpose and no procedure or proceedings, notices, consents or approvals, shall be required in connection therewith except as may be prescribed by this act. Every water commission organized under this act is declared to be a public body created and functioning in the interest and for the benefit of the public, and its property and income and any bonds issued by it and income therefrom shall be exempt from taxation.

12. If any clause, sentence, paragraph or part of this act, shall for any reason, be adjudged by any court of competent jurisdiction to be invalid or unenforceable such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, paragraph or part hereof, directly involved in the controversy in which such judgment shall have been rendered.

13. Insofar as the provisions of this act are inconsistent with the provisions of any other law, the provisions of this act shall control.

SB 281, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 243.680 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) No person shall manufacture distilled spirits in this state unless he first obtains from the department a permit to engage in the business of manufacturing distilled spirits. At the time of the issuance of the permit he shall pay to the state a tax of five cents for each proof gallon of distilled spirits for which the permit is issued.

(2) (a) No person shall ship or transport or cause to be shipped or transported into the state any distilled spirits from points without the state without first obtaining a permit from the department and paying a tax of five cents on each proof gallon contained in the shipment.

(b) No railroad company or express company shall receive for shipment or ship into this state any package or receptacle containing distilled spirits unless a copy of the permit, showing that payment of required taxes has been made, accompanies the shipment.

(c) The permit shall be in a form prescribed by the department, and all shipments into the state shall be governed by regulations

(d) A railroad or express company need not obtain a permit to
promulgated by the department.

transport distilled spirits, but shall be subject to all regulations of the department.

Section 2. Section 243.690 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) No person shall engage in the business of blending, rectifying or mixing distilled spirits, without obtaining from the department a permit to blend, rectify or mix distilled spirits. An excise tax of five cents is imposed for each proof gallon of distilled spirits that has not borne the tax imposed by KRS 243.680 and which is used in said blending, rectifying or mixing.

(2) A person engaging in the business of blending, rectifying or mixing distilled spirits shall report on or before the tenth day of the succeeding month, in such form and stating such facts as may be prescribed by the department, the amount of distilled spirits blended, rectified or mixed during the preceding month. At the time of making the report, he shall pay the tax due under this section.

Section 3. This Act shall become effective July 1, 1960.

HB 95, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 140.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be free from any tax under the preceding provisions of this Chapter the following inheritable interests:

(a) Wife, infant child by blood or adoption, or a child by blood or a child adopted during infancy who has been declared incompetent by a court of competent jurisdiction, $10,000;

(b) All other persons of Class A, under KRS 140.070, $5,000;

(c) All persons of Class B, under KRS 140.070, $1,000; and

(d) All persons of Class C, under KRS 140.070, $500.

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

(3) The exemptions provided in this section shall be subtracted from the value of the respective distributive shares before the rates, provided in KRS 140.070, are applied thereto to determine the amount of tax due thereon.

HB 340, AN ACT relating to liquefied petroleum gas.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 234.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in KRS 234.100 to 234.160 and 234.990 the term "liquefied petroleum gas" means and includes any material which is composed predominantly of any of the following hydrocarbons, or mixtures of them, whether in the liquid or in the gaseous states: Propane, propylene, butane (Normal butane or isobutane), and butylene.

(2) "Commissioner" means Commissioner of Public Safety.

Section 2. Section 234.110 of the Kentucky Revised Statutes is amended to read as follows:

No person shall transport in any manner within this state liquefied petroleum gas in containers of a type not approved by the Commissioner.

Section 3. Section 234.120 of the Kentucky Revised Statutes is amended and re-enacted to read as follows:

(1) Subject to the exceptions provided in subsection (2), no person shall engage in any of the businesses set out herein without first having obtained from the Commissioner the required license or licenses and paid the prescribed fee therefor:

(a) Selling, to the ultimate consumer or user, of liquefied petroleum gas, of liquefied petroleum gas containers, or of liquefied petroleum gas regulating equipment for use with liquefied petroleum gas, $50.00;

(b) Assembling, repairing, installing or connecting of liquefied petroleum gas containers, or regulating equipment, or liquefied petroleum gas appliances, or any liquefied petroleum gas utilization equipment, or the filling of I.C.C. liquefied petroleum gas containers of less than one hundred pounds capacity, $25.00;

(c) Selling or delivering liquefied petroleum gas in prefilled containers (this does not authorize the filling of containers or delivery by tank truck), $50.00;

(d) The selling of liquefied petroleum gas for use in motor vehicles, as a motor fuel, from storage containers, dispensing devices, and pertinent equipment, $25.00;

(e) Engaging in all the businesses set out in paragraphs (a), (b), (c), and (d), and having not more than five hundred customers (this license shall be in lieu of the four individual licenses required by paragraphs (a), (b), (c), and (d), $50.00;

(f) Engaging in all the businesses set out in paragraphs (a), (b), (c), and (d) and having more than five hundred customers (this license shall be in lieu of all other licenses), $100.00;

(g) Storing, for resale, of liquefied petroleum gas in other than I.C.C. containers, except qualifications under (b) or (d), $100.00;

(h) Transporting of liquefied petroleum gas, by tank truck, over the highways of this state, $100.00;

(i) Delivering of liquefied petroleum gas to any person, by tank truck, or the delivering, to any person other than the ultimate consumer, in containers, except where the delivering is incidental to the carrying on of a business licensed under paragraph (f) herein, $100.00;

(j) The filling of liquefied petroleum gas containers of one hundred pound capacity or more, $100.00;

(k) Engaging in all or any combination of the businesses set out in paragraphs (a) to (j) inclusive (this license shall be in lieu of all individual licenses required herein), $100.00.

(2) No person shall be required to obtain a license in order to engage in the following activities concerning liquefied petroleum gas:

(a) Storage, by the ultimate consumer, for consumption only.

(b) Transportation, by the ultimate consumer, in quantities of ten gallons or less.

(c) Handling in quantities of less than one gallon U.S. water capacity, where the gas is an integral part of a device for its utilization.

(d) Use as a fuel, while in the fuel tank of a motor vehicle.

(3) Any person engaged in any business for which a license is required under the provisions of subsection (1) and who engages in such business at more than one office or place of business in this state shall obtain a separate license for each such office or place of business and shall pay therefor the required license fee; except that for the purposes of issuance of licenses under subsection (1) all facilities for the storage only of liquefied petroleum gas for resale within a radius of twenty miles of an office or place of business shall be considered a part of such office or place of business and shall not require separate licensure.

(4) The Commissioner shall further have the authority to make, promulgate, and enforce such reasonable regulations requiring proof of ability to respond in damages for personal injury and property damages in the minimum amount of ten thousand dollars, prior to the issuance of a license.

Section 4. Section 234.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The licenses required under KRS 234.120 shall be issued on a calendar year basis and shall be procured from the Commissioner prior to the time of beginning business. All licenses and renewals thereof shall expire on December 31 of each year.

(2) Any person applying for a license after July 1 of any year

shall be required to pay therefor only one-half of the applicable fee for that calendar year.

(3) Every person licensed under the provisions of KRS 234.100 to 234.160 who desires to continue in business shall, during January of each year, procure from the Commissioner a renewal license for which he shall pay a fee equal to the original license fee. Failure to procure a renewal license prior to January 31 of the year for which it is issued shall result in the imposition of a penalty equal to twenty percent of the renewal fee which shall be paid to the Commissioner in addition to the renewal fee.

Section 5. Section 234.140 of the Kentucky Revised Statutes is amended and re-enacted to read as follows:

(1) The Commissioner, after a public hearing thereon, shall make, promulgate, and enforce regulations setting forth minimum general standards covering the design, construction, location, installation, and operation of equipment for storing, handling, transporting by tank truck, tank trailer, and utilizing liquefied petroleum gases, and specifying the odorization of said gases and the degree thereof. Said regulations shall be such as are reasonably necessary for the protection of the health, welfare and safety of the public and persons using such materials, and shall be in substantial conformity with the generally accepted standards of safety concerning the same subject matter.

Section 6. (1) There is created in the Department of Public Safety the Liquefied Petroleum Gas Bureau, to administer provisions of KRS 234.100 to 234.160. The Bureau shall consist of Chief Inspector and not less than three nor more than six field inspectors, and an Administrative Assistant, and such other employes as are found necessary to properly administer provisions of this Section.

(2) Applications for positions of Chief Inspector, Field Inspector, and Administrative Assistant shall be made to the Bureau of Personnel. Minimum requirements of the officers and employes shall be arrived at jointly between the Department of Public Safety and the Department of Personnel and all rules of the Department of Personnel shall apply to these employes.

Section 7. There is created in the Liquefied Petroleum Gas Bureau an Advisory Council composed of the officers of the Kentucky Liquefied Petroleum Gas Association and five licensed Liquefied Petroleum gas operators appointed by the Commissioner of Public Safety, with approval of the Governor, for the purpose of giving technical assistance to the Commissioner of Public Safety and to the Chief Inspector. They shall serve without pay.

Section 8. A new section of the Kentucky Revised Statutes is enacted to read as follows:

(1) Domestic and Commercial gas consuming equipment and appliances shall not be installed unless their correctness as to design, construction, and performance is certified by:

(a) A nationally recognized testing agency adequately equipped and competent to perform such services evidenced by the attachment of its seal or label to such gas appliances. This agency shall be one which maintains a program of national inspection of production models of gas appliances, at least once each year on the manufacturer's premises.

(b) By the American Gas Association Laboratories, as evidenced by the attachment of its listing symbol or Approval Seal to gas appliances and a certificate or letter certifying approval under the above-mentioned requirements, or listing by Underwriters' Laboratories, Inc., shall be considered as constituting compliance with the provisions of this section, providing, that the manufacturer has approval and certification of same from the Liquefied Petroleum Gas Bureau, Department of Public Safety.

(2) Equipment not subject to A.G.A. or laboratory inspection, must have approval of the Liquefied Petroleum Gas Bureau of the Department of Public Safety.

Section 9. A new section of the Kentucky Revised Statutes is enacted to read as follows:

(1) For plants storing liquefied petroleum gases, and used for the dispensing of liquefied petroleum gases in liquid state into container or containers, for resale, plans shall be submitted, in duplicate, to the Liquefied Petroleum Gas Bureau, Department of Public Safety, and shall be approved by said Bureau before construction is started. Plans so submitted shall show the following information as a minimum:

(a) The name and address of the owner, and the name and purpose of the plant proposed.

(b) Location of the proposed plant in relation to the nearest city, town, highways, railroads, and built up areas.

(c) A plot plan showing dimensions of the area proposed to be used for the plant, distances to the nearest property lines and the location and construction of any buildings which might affect the distances required under Regulations adopted by the Commissioner of Public Safety.

(d) Construction drawings showing the arrangement and construction of all tanks, tank supports, piping, accessories, buildings, and appurtenant items of construction. These drawings shall be in sufficient detail to allow a contractor who is familiar with tank and pipe installation but not necessarily familiar with Liquefied Petroleum Gas installations to use such drawings to satisfactorily complete the installation without further instructions.

(e) A copy of the original Boiler Inspectors Report of inspection of the tank or tanks to be used or a reference to manufacturer's name and serial number of the tank so that such report may be obtained direct.

(f) The date of completion of the plans, the dates of any subsequent revisions and the signature of the person assuming responsibility for the correctness of the plans.

(2) For plants, installed for industrial or commercial usage, having a nominal water capacity of 150 gallons or over and serving an aggregate BTU usage of 150,000 BTUs or over and/or used for dispensing Liquefied Petroleum Gas into other containers, not for resale, a report of installation, giving location and equipment installed, must be made to the Liquefied Petroleum Gas Bureau, Department of Public Safety, not later than 10 days after installation.

Section 10. A new section of the Kentucky Revised Statutes is enacted to read as follows:

(1) No person other than a workman accompanied and supervised by a person with an applicable Employe's Permit shall perform installation, service, operation, maintenance, or Liquefied Petroleum Gas delivery in connection with Liquefied Petroleum Gas without having first obtained the applicable permit from the Commissioner of Public Safety.

(2) No licensee under KRS 234.120 may perform or permit any employe to perform unsupervised installation, service, operation, maintenance, or gas delivery without first having obtained the permit or temporary permit herein referred to.

(3) (a) Applications for applicable employe's permits shall be made only by licensees under KRS 234.120 for and on behalf of such employes.

(b) The Commissioner shall require every applicant for an employe's permit to pass a written or oral examination, as a condition of obtaining such permit; provided, however, that he may, in his discretion, issue a temporary permit to an applicant who has not passed the examination but who has presented other evidence of his qualifications to handle liquefied petroleum gas.

(c) The Commissioner shall provide reasonable opportunities for applicants to take the written or oral examination and shall revoke a temporary permit if the applicant fails to pass the examination within a reasonable time.

(d) Permits shall be renewed upon application of licensee on behalf of his employe without re-examination unless there are changes in prescribed procedures which, in the opinion of the Commissioner, required re-examination of all holders of permits.

Section 11. Section 234.160 of the Kentucky Revised Statutes is amended to read as follows:

All moneys collected under the provisions of KRS 234.100 to 234.160 shall be paid into the State Treasury and credited to a trust and agency fund to be used by the Department of Public Safety solely for the administration and enforcement of KRS 234.100 to 234.160 and 234.990.

Section 12. Section 234.990 of the Kentucky Revised Statutes is amended and re-enacted to read as follows:

(1) Any person who violates any of the provisions of KRS 234.100 to 234.160 shall be fined not less than twenty-five dollars nor more than two hundred dollars.

(2) Any person who violates any regulation promulgated under provisions of KRS 234.100 to 234.160 and after having been given notice to cease and desist unless said violation is corrected within ten days shall be fined not less than twenty-five dollars nor more than two hundred dollars for each day said violation continues subsequent to the ten day period.

(3) When any person violates any provision of this Act or regulations, which violation constitutes a public danger, an immediate notice to cease and desist may be issued, and failure to comply with notice shall be held in violation, and failure to comply immediately upon presentation of said notice shall result in a fine of not less than twenty-five dollars nor more than two hundred dollars for each day said violation continues subsequent to the day of issuance of notice.

(4) Any person violating the provisions of KRS 234.200 to 234.260 shall be fined not less than one hundred dollars or more than five hundred dollars, or imprisoned in the county jail for not more than sixty days.

(5) Any firm or corporation violating the provisions of KRS 234.200 to 234.260 shall be fined not less than one hundred dollars or more than five hundred dollars.

HB 331, AN ACT relating to the Kentucky Employes' Retirement System.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS 61.510 to 61.700 is created to read as follows:

The effectve date of participation of the circuit clerks department in the Kentucky Employes' Retirement System is declared to be July 1, 1956. Both employer and members shall make contributions, and members receive benefits, based on that date.

HB 358, AN ACT relating to retirement systems for public employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A member of the Kentucky Employes' Retirement System who prior to the date he first participated in the system was employed by a county shall be credited with service in the state system on the same basis as if he had been employed by the state prior to July 1, 1956, for the same length of time as the entire length of time for which he was employed by the county. The service with which he is credited shall be treated in the same way and give rise to the same liabilities as service with the state prior to July 1, 1956.

Section 2. A member of the County Employes' Retirement System who prior to the date he first participated in the system was employed by the state shall be credited with service in the county system on the same basis as if he had been employed by the county prior to July 1, 1958, for the same length of time as the entire length of time for which he was employed by the state. The service with which he is credited shall be treated in the same way and give rise to the same liabilities as service with the county prior to July 1, 1958.

HB 361, AN ACT relating to vital statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 213.340 of the Kentucky Revised Statutes is amended to read as follows:

Each circuit court clerk shall, within forty-five days after entry of final judgment of divorce, absolute or limited, annulment of marriage, or adoption, furnish to the Division of Vital Statistics such information as may be available from the record to the State Department of Health upon forms prescribed and furnished by the department.

SB 125, AN ACT relating to expenses of circuit judges.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Each circuit judge of the Commonwealth shall be paid out of the State Treasury each month the sum of one hundred and fifty dollars, which sum is hereby declared to be the equivalent of the minimum sum that each circuit judge will expend each month, in the performance of his official duties, for, but not limited to, postage, telephone service, supplies, stationery, office rental, stenographic services, books and periodicals. The sums so received shall be expended by each circuit judge in his discretion, the manner in which the same shall be applied in payment or reimbursement of such expenses being determined by such officer. The Commissioner of Finance shall, on the first of each month, draw his warrant on the Treasurer in favor of each circuit judge, for the sum above stated.

Section 2. Section 64.500 of the Kentucky Revised Statutes is repealed.

Section 3. For the purposes of this Act, there is appropriated out of the General Expenditure Fund to the Department of Finance the sums of one hundred and four thousand dollars for each of the fiscal years 1960-61 and 1961-62.

SB 108, AN ACT relating to occupations using vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 137.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) Any person who engages in the occupation of selling merchandise from a truck or other motor vehicle at or near a roadside or by peddling shall pay a license fee of $25.00 for each truck or motor vehicle used.

(b) The license shall be good for one year from the date issued and is not subject to KRS 137.080.

(c) Paragraph (a) of this subsection does not apply to a person who sells merchandise over a regular house-to-house route, or by sample.

(d) A person who has paid a license fee under subsection (1), (2), (3) or (6) of KRS 137.050 is entitled to have the amount paid credited against the fee charged by paragraph (a) of this section.

(2) Any person who engages in any of the businesses or exercises any of the privileges mentioned in subsection (1), (2), (3) and (6) of KRS 137.050 from a wagon, push cart, motor vehicle, or other similar contrivance in which the articles named in those subsections are transported from place to place and sold therefrom, or who engages in an occupation covered by subsection (1) of this section, shall procure a license from the county clerk in the first county where the business is to be conducted or the privilege exercised for each vehicle or contrivance so used. Notwithstanding the provisions of KRS 137.090 and 137.100, the license shall give an apt description of the vehicle or contrivance from which the business is to be conducted or the privilege exercised. Whenever any person to whom a license referred to in subsection (1), (2), (3) and (6) of KRS 137.050 or subsection (1) of this section has been granted and who has paid the required license tax shall change the vehicle, or contrivance for which the license was originally granted, the county clerk may amend the license in ac-

cordance with regulations of the Department of Revenue to permit the continued operation of the business. For this amendment, the county clerk shall receive a fee of twenty-five cents from the licensee.

Calendar

HB 29, HB 124, HB 164, HB 245, HB 250, HB 276, HB 277, HB 285, HB 431, HB 439, HB 445, HB 456, SB 271, SB 272, SB 273, SB 274, HB 268, SB 276, SB 277, SB 269, SR 7, by Way of Committee Substitute, SB 243, HB 413, HB 151, HB 271, HB 389, HB 441, SB 197, HB 330, SB 68, SB 226, SB 267, HB 177, HB 267, HB 342, HB 335, HB 438, HB 444, HB 492, HB 493, HB 494, HB 498, HB 163 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 246 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 246.** Agreed.

On the roll call, the vote was: Yeas, 31—Bassett, Blake, Brand, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Kelly, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays, 0. **SB 246** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 246** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 274 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the adoption of Amendment #1, by Senator Ware. Agreed.

Said Amendment #1 to **HB 274** is as follows:

Amend printed copy of **HB 274** . . . by amending the title thereof as follows: After the word "machines" strike the period and substitute therefor a comma and add the following words thereafter: "and declaring an emergency."

Senator Francis moved the adoption of Amendment #2, by Senator Ware. Agreed.

Said Amendment #2 to **HB 274** is as follows:

Amend printed copy of **HB 274** on page 10 . . .by adding an additional section as follows: "Section 14. WHEREAS, it is deemed essential to proceed immediately towards the elimination of the antiquated manner in which elections are now being conducted in many parts of this state, an emergency is declared to exist and this act shall take effect immediately upon its passage and signature by the Governor."

Senator Francis moved the Previous Question on **HB 274**, as amended. Agreed.

On the roll call, the vote was: Yeas, 21–Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays,10–Bassett, Bishop, Blake, Duncan Hamilton, Hubbard, Johnson, Kelly, Miller, Richmond. **HB 274** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 274** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 275 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 275**. Agreed.

On the roll call, the vote was: Yeas 21–Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays, 9–Bassett, Bishop, Blake, Duncan, Hamilton, Johnson, Kelly, Miller, Richmond. **HB 275** was passed.

Senator Francis moved that the vote by which **HB 275** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 266 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 266**. Agreed.

On the roll call, the vote was: Yeas 16–Brand, Bonn, Conley, Craft, Derickson, Francis, Hehl, Johnson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Ware. Nays, 13–Bassett, Bishop, Blake, C. H. Davis, Duffy, Duncan, Garnett, Hamilton, Hickerson, D. W. Howard, Hubbard, Kelly, Richmond. **SB 266** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 266** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Kidwell, President Pro Tem, presiding.

Committee Substitute for **SB 3** taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Miller moved the adoption of Committee Substitute for **SB 3**. Agreed.

Amendment #1 to **SB 3**, by Senator Miller, who moved the adoption. Agreed.

Amendment #1 to **SB 3** is as follows:

Amend printed copy of Committee Substitute for **SB 3** on page 3, section 4, line 2 by inserting between the words "corporation" and "may" the following:

", which has elected as to taxable status under Sections 1371 to 1377 of the Internal Revenue Code in effect on January 1, 1960,"; on page 6, Section 8, after line 42 by inserting a new subsection to read as follows:

"(5) An election under Section 4 of this Act made by a small business corporation may be ordered to be terminated by the Commissioner of Revenue, if, for any taxable year of the corporation for which the election is in effect, a shareholder has failed to pay to this state the tax owed by him by virtue of the election. The termination shall be effective for the taxable year of the corporation succeeding the taxable year in which the shareholder has failed to pay the tax, and for all succeeding taxable years of the corporation."; on page 6, Section 8, line 43 by deleting "(5)" and inserting in lieu thereof "(6)"; and on page 13, Section 18, lines 2 and 3 by deleting the following:

", showing the amount of undistributed taxable income for such year and the persons to whom attributable.";

Amend printed copy of page 2—Committee Substitute for **SB 3** and by inserting in lieu thereof the following:

"as required by KRS Chapter 141, and such other information as the Department of Revenue may require, including the persons to whom the taxable net income of the corporation is attributable."

Senator Miller moved the Previous Question on **SB 3**, as amended.

On the roll call, the vote was: Yeas 23—Blake, Brand, Bonn, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Johnson, Kidwell, Kinkead, Martin, Melton, Miller, Raney, Richmond, Ware. Nays 0. **SB 3** was passed and the title agreed to.

Senator Miller moved that the vote by which **SB 3** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 185 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 185.** Agreed.

On the roll call, the vote was: Yeas 24—Blake, Brand Bonn, Conley, Craft, Derickson, Duffy, Duncan, Francis Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, Melton, Miller, Raney, Richmond, Ware. Nays 1—Johnson. **SB 185** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **SB 185** was passed be reconsidered and said motion be laid on the table.

HB 193 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **HB 193.** Agreed.

On the roll call, the vote was: Yeas 24—Blake, Brand Bonn, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 1—Johnson. **HB 193** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **HB 193** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 179 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1, by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 179** is as follows:

Amend printed copy of **HB 179** on page 2, Subsection (b) of Section 2, line 15, by inserting after (b) 1. the following:

"Any perpetual or endowment care cemetrey hereafter established shall also have deposited in its endowment care fund the following additional sums before disposing of any plot or space or making any sale thereof:"

Senator Melton moved the Previous Question on **HB 179.** Agreed.

On the roll call, the vote was: Yeas 23—Blake, Bonn, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 179** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 179** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 263 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 263.** Agreed.

On the roll call, the vote was: Yeas 21—Bonn, Conley, Craft, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **SB 263** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 263** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 264 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 264,** by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to **HB 264** is as follows:

Amend printed copy of **HB 264** on page 3, section 5, line 5 by deleting the word "shall" and inserting in lieu thereof the word "may".

Senator Francis moved the Previous Question on **HB 264,** as amended. Agreed.

On the roll call, the vote was: Yeas 24—Blake, Bonn, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 264** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 264** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 109 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 109.** Agreed.

On the roll call, the vote was: Yeas 20—Blake, Bonn, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, Hubbard, Kelly, Kidwell, Kinkead, McCann, Melton, Miller, Raney, Richmond. Nays 0. **HB 109** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 109** was passed be reconsidered and said motion be laid on the table.

HB 319 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hamilton moved the Previous Question on **HB 319.** Agreed.

On the roll call, the vote was: Yeas 23—Blake, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 319** was passed and the title agreed to.

Senator Hamilton moved that the vote by which **HB 319** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 103 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved that **SB 103** be placed on the Clerk's desk. Agreed.

HB 184 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **HB 184.** Agreed.

On the roll call, the vote was: Yeas 21—Blake, Conley, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hubbard, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Ware. Nays 0. **HB 184** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 184** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 301 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **HB 301.** Agreed.

On the roll call, the vote was: Yeas 21—Blake, Conley, Craft, C. H. Davis, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Johnson, Kelly, Kidwell, Kinkead, Martin, Melton, Miller, Raney, Richmond, Ware. Nays 0. **HB 301** was passed and the title agreed to.

Senator Hehl moved that the vote by which **HB 301** was passed be reconsidered and said motion be laid on the table. Agreed.

Recess

Senator Ware moved that the Senate do now recess for the purpose of having a meeting of the Rules Committee. At the appointed hour, Senator Kidwell, President Pro Tem, resumes the chair.

Senator Ware moved suspension of the Rules for the purpose of making Rules Committee Report.

Report of Rules Committee

Rules Committee reported **HB 457, HB 469, HB 470, HB 471, SB 70, SB 279, SB 212, SB 213, SB 160, HB 485, HR 79, HR 112** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 457, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 342.005 of the Kentucky Revised Statutes is amended to read as follows:

(1) This chapter shall apply to all employers having three or more employes regularly engaged in the same occupation or business, and to their employes, except that it shall not apply to domestic employment, agriculture, steam railways, or such common carriers other than steam railways for which a rule of liability is provided by the laws of the United States; provided, however, it shall apply to the operators of threshing machines used in threshing or hulling grain or seeds. It shall affect the liability of the employers subject thereto to their employes for a traumatic personal injury sustained by the employe by accident, and for disability resulting from occupational diseases as defined in this chapter, arising out of and in the course of his employment, or for death resulting from such accidental injury or occupational disease; provided, however, that "traumatic personal injury by accident" as herein defined shall not include diseases except where the disease is the natural and direct result of a traumatic injury by accident nor shall it include the results of a pre-existing disease, whether previously disabling or not, but shall include injury or death due to inhalation in mines of noxious gases or smoke, commonly known as "bad air," and also shall include injuries or death due to the inhalation of any kind of gas, and shall also include occupational disease as defined in this chapter.

(2) The board shall apportion the aggregate extent and duration of disability among the contributing causes including, but not limited to, the following:

(a) "Traumatic injury by accident."

(b) Pre-existing disease previously disabling.

(c) Pre-existing disease not previously disabling but aroused into disabling reality by the injury or occupational disease.

(3) The board shall, in every case, determine whether the provisions of KRS 342.120 are applicable, and if so the board shall proceed in accordance with the law and regulations established for processing claims involving the Subsequent Claim Fund.

(4) Any employers and employes who are, by the provisions of this section, excepted from the provisions of this chapter, including employers having less than three employes, may subject themselves thereto by joint voluntary application tothe board, in writing, for such period as may be stated in the application, which shall be irrevocable during such period and effective thereafter until a written revocation be filed with the board or the employment be terminated.

Section 2. Section 342.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to all other compensation provided in this chapter, the employer shall furnish for the cure and relief from the effects of an injury or occupational disease, such medical, surgical and hospital treatment, including nursing, medical and surgical supplies and appliances, as may reasonably be required at the time of the injury and thereafter during disability, or as may be required for the cure and treatment of an occupational disease, but not exceeding a total expense to the employer of more than twenty-five hundred dollars. If the employer fails to furnish such treatment reasonably, he shall be liable for the reasonable expense, within the limits of this section, incurred by or on behalf of the employe in providing such treatments. In an emergency, the employe may call in any available physician or surgeon to administer any first aid reasonably necessary at the expense of the employer within the limits of this section. The board, in its discretion, may apportion payments to be made under this section between hospitals and physicians in cases where their aggregate fees and charges would not exceed the maximum for which the employer is liable.

(2) However, further medical, surgical and hospital treatment, not to exceed an additional one thousand dollars, may be ordered by the board upon application and sufficient showing of justifiable need therefor.

(3) Where a compensable injury or occupational disease results in the amputation of an arm, hand, leg or foot, or the loss of hearing, or the enucleation of an eye or the loss of teeth, the employer shall initially furnish in addition to other medical, surgical and hospital treatment enumerated in subsections (1) and (2) of this section, a modern artificial member, and where required, proper braces but the employer's liability for such artificial member or braces shall not include his liability for medical, surgical and hospital treatment exceed twenty-five hundred dollars.

Section 3. Section 342.070 of the Kentucky Revised Statutes is amended to read as follows:

If death should result within two years from an accident for which compensation is payable under this chapter, or from an occupational disease, the employer or his insurer shall pay to the person entitled to compensation, or, if none, then to the personal representative of the deceased employe, reasonable burial expenses of a person of the standard of living of the deceased, not to exceed the sum of five hundred dollars, and shall also pay to or for the following persons compensation as follows:

(1) If there are one or more wholly dependent persons, sixty-five percent of the average weekly earnings of the deceased employe, but not to exceed thirty-four dollars nor less than sixteen dollars per week shall be payable, all such payments to be made for the period between the date of death and four hundred weeks after the date of accident to the employe or after the date his disability from an occupational disease began, or until the intervening termination of dependency, but in no case to exceed the maximum sum of thirteen thousand six hundred dollars.

(2) (a) If there are partly dependent persons, the payments shall be such part of what would be payable for total dependency as the partial dependency existing at the time of the accident or after the date his disability from an occupational disease began to the employe is proportionate to total dependency, and all such payments to be made for the period between the date of death and four hundred weeks after the date of the accident to the deceased employe, or after the date his disability from an occupational disease began, or until the intervening termination of dependency, but in no case to exceed in the aggregate of compensation on account of such death the maximum sum of thirteen thousand six hundred dollars.

(b) Partial dependency shall be determined by the proportion of the earnings of the employe which have been contributed to such partial dependent during one year next preceding the date of injury or after the date his disability from an occupational disease began; if the relation of partial dependency did not exist for one year next preceding the date of injury, the board shall consider all the facts and circumstances and fix such proportion as is fair and reasonable thereunder.

(3) All relations of dependency referred to in this section shall mean dependency existing at the time of the accident to the employe or at the time his disability from an occupational disease began.

(4) If death occurs as a result of the injury or an occupational disease after a period of total or partial disability, the period of disability shall be deducted from the total period of compensation and the benefits paid thereunder from the maximum allowed for death by this section.

Section 4. Section 342.095 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the injury or occupational disease causes total disability for work, the employer, during such disability, except for the first seven days thereof, shall pay the employe a weekly compensation

equal to sixty-five percent of his average weekly earnings, not to exceed thirty-six dollars nor less than sixteen dollars per week, such payments to be made during the period of total disability but not longer than four hundred twenty-five weeks after the date of the injury, or after the date his disability from an occupational disease began, nor in any case to exceed a maximum sum of fifteen thousand three hundred dolars. If the period of total disability begins after a period of partial disability, the period of partial disability shall be deducted from the total period of four hundred twenty-five weeks during which compensation for total disability may be payable, and the payments made on account of such partial disability shall be deducted from the maximum of fifteen thousand three hundred dollars.

(2) In case of the following injuries or disabilities from occupational disease the disability shall be considered total and permanent:

(a) The total permanent loss of sight in both eyes.

(b) The loss of both feet at or above the ankle.

(c) The loss of both hands at or above the wrist.

(d) A similar loss of one hand and one foot.

(e) A similar loss of one hand and one eye.

(f) A similar loss of one foot and one eye.

(g) A disability to the spine, resulting in permanent and complete paralysis of both arms or both legs, or of one arm and one leg.

(h) A disability to the skull resulting in incurable insanity or imbecility.

(3) The enumeration in subsection (2) is not exclusive, but in all other cases the burden of proof shall be on the claimant to prove that his injuries or disability resulting from an occupational disease have resulted in permanent total disability.

(4) Compensation for an injury or disability to a member shall not exceed the amount allowable for the loss of such member unless the effects of the injury or disability extends beyond the member to the body as a whole so that it destroys a workman's general ability to labor or precludes him from obtaining the kind of work he is customarily able to do.

Section 5. Section 342.100 of the Kentucky Revised Statutes is amended to read as follows:

In case of an injury or disability from an occupational disease resulting in temporary partial disability, the employe shall receive during such disability, except the first seven days thereof, a weekly compensation equal to sixty-five percent of the difference between his average weekly earnings before the injury or disability from an occupational disease and the average weekly earnings that he earns, or is able to earn, in some suitable employment during such disability, not to exceed four hundred weeks from the date of injury, or from the date his disability from an occupational disease began, nor exceeding the sum of thirty-one dollars per week nor the maximum sum of twelve thousand four hundred dollars. If partial disability follows a period of total disability, the period of total disability shall be deducted from the maximum period allowed for partial disability.

Section 6. Section 342.105 of the Kentucky Revised Statutes is amended to read as follows:

For injuries or disabilities from an occupational disease enumerated in the following schedule the employe shall receive, in addition to temporary total disability compensation for the period of actual total disability, not exceeding twenty weeks, a weekly compensation equal to sixty-five percent of his average weekly earnings, but not less than sixteen dollars per week nor exceeding thirty dollars per week for the periods stated thereon:

(1) For the loss of a thumb, sixty-five percent of the average weekly wages during sixty weeks.

(2) For the loss of a first finger, commonly called the index finger, sixty-five percent of the average weekly wages during forty-five weeks.

(3) For the loss of a second finger, sixty-five percent of the average weekly wages during thirty weeks.

(4) For the loss of a third finger, sixty-five percent of the average weekly wages during twenty weeks.

(5) For the loss of a fourth finger, commonly known as the little finger, sixty-five percent of the average weekly wages during fifteen weeks.

(6) The loss of the second, or distal phalange, of the thumb shall be considered to be equal to the loss of one-half of the thumb, the loss of more than one-half of the thumb shall be considered equal to the loss of the whole thumb.

(7) The loss of the third, or distal phalange of any finger shall be considered to be equal to the loss of one-third of the finger.

(8) The loss of the middle, or second phalange, of any finger shall be considered equal to the loss of two-thirds of the finger.

(9) The loss of more than the middle and distal phalanges of any finger shall be considered equal to the loss of the whole finger, but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

(10) For the loss of a metacarpal bone (bone of the palm) for the corresponding thumb, finger or fingers above add ten weeks to the number of weeks as above.

(11) For ankylosis (total stiffness of) or contractures (due to sears

or injuries) which makes the fingers useless, the same number of weeks apply to such finger or fingers (including thumb) as given above.

(12) For the loss of a hand, sixty-five percent of the average weekly wages during one hundred fifty weeks.

(13) For the loss of an arm, sixty-five percent of the average weekly wages during two hundred weeks.

(14) For the loss of one of the toes, other than the great toe, sixty-five percent of the average weekly wages during ten weeks.

(15) For the loss of the great toe, sixty-five percent of the average weekly wages during thirty weeks.

(16) The loss of more than two-thirds of any toe shall be considered to be equal to the loss of the whole toe.

(17) The loss of less than two-thirds of any toe shall be considered to be equal to the loss of one-half toe.

(18) For the loss of a foot, sixty-five percent of the average weekly wages during one hundred twenty-five weeks.

(19) For the loss of a leg, sixty-five percent of the average weekly wages during two hundred weeks.

(20) For the total and permanent loss of the sight of an eye, sixty-five percent of the average weekly wages during one hundred weeks, plus an additional twenty weeks in cases where the eyeball is enucleated.

(21) For the total and permanent loss of hearing in one ear, sixty-five percent of the average weekly wages during seventy-five weeks.

Section 7. Section 342.110 of the Kentucky Revised Statutes is amended to read as follows:

In all other cases of permanent partial disability, including any disfigurement which will impair the future usefulness or occupational opportunities of the injured employe, or employe disabled by an occupational disease, compensation shall be determined according to the percentage of disability, taking into account, among other things, any previous disability, the nature of the physical injury or disfigurement, the occupation of the injured employe and age at the time of injury or at the time the disability from an occupational disease began.

Compensation for an injury or disability to a member shall not exceed the amount allowable for the loss of such member unless the effects of the injury or disability extends beyond the member to the body as a whole so that it adversely affects a workman's general ability to labor, or limits his occupational opportunities to obtain the kind of work he is customarily able to do.

The compensation paid therefor shall be sixty-five percent of the average weekly earnings of the employe but not less than sixteen dollars nor more than thirty-one dollars, multplied by the percentage of disability caused by the injury or occupational disease, for such period as the board determines, not exceeding four hundred weeks nor a maximum sum of twelve thousand four hundred dollars. Compensation payable under this section shall not be affected by the earnings of the employe after the accident, or after his disability from an occupational disease, whether they be the same, or greater, or less than prior to the accident or disability from an occupational disease. Whenever the weekly payments under this section would be less than sixteen dollars per week, the period may be shortened and the payments correspondingly increased to that amount. Where compensation, except as provided in KRS 342.020 and 342.030, is paid under any other provision of this chapter, the period during which such other compensation is paid shall be deducted from the maximum period which may be paid under this section.

Section 8. Section 342.111 of the Kentucky Revised Statutes is amended to read as follows:

(1) When an employe, who has been awarded disability compensation by the Workmen's Compensation Board, shall die as a result of such injury or occupational disease prior to the payment to him of the amount of the award, then the dependents of the deceased employe shall be allowed and paid all allowed and unpaid awards made to such employe. Provided, however, that the dependents of such deceased employe shall, within one year after the death of such employe, file with the Workmen's Compensation Board, in such form as the board may require, a written verified application, stating therein the date of the death of such deceased employe; the amount of such allowed and uncollected award; the name, age, postoffice address, and the relation of each of said dependents to the deceased. Thereupon the Workmen's Compensation Board shall notify in writing the company, person or insurance carrier against whom such award was made; and shall fix a time and place for a hearing, of which notice shall be given, to determine the dependency of those making such claim; and shall make an award or order for the benefit of those found to be entitled thereto. Provided, however, that the number of weekly payments to be paid to the dependents shall be the number of weeks remaining after deducting the number of weekly payments made to the decedent from the number of weeks allowed in the original award.

(1) The total amount paid and payable to the decedent and his dependents shall not exceed the amount now payable for death at the average weekly wage of the decedent at the time of his injury, and the weekly payments to the dependents shall not exceed the sum provided in KRS 342.070.

Section 9. Section 342.120 of the Kentucky Revised Statutes is amended to read as follows:

A claimant may in the original application for benefits, or either party may by motion while the case is pending, accompanied by proper allegations, and the board shall upon its own motion at any time before the rendition of the final award, cause the Subsequent Claim Fund to be made a party to the proceedings if either or both of the following appears:

(a) The employe is disabled, whether from a compensable injury, occupational disease, pre-existing disease, or otherwise, and has received a subsequent compensable injury by accident, or has developed an occupational disease.

(b) The employe is found to have a dormant non-disabling disease condition which was aroused or brought into disabling reality by reason of a subsequent compensable injury by accident or an occupational disease.

(2) When the Subsequent Claim Fund has been made a party the board shall direct the procedures provided in KRS 342.121.

(3) If it is found that the employe is a person mentioned in sub-section (1) (a) or (b) and a subsequent compensable injury or occupational disease has resulted in additional permanent disability so that the degree of disability caused by the combined disabilities is greater than that which would have resulted from the subsequent injury or occupational disease alone, and the employe is entitled to receive compensation on the basis of the combined disabilities, the employer shall be liable only for the degree of disability which would have resulted from the latter injury or occupational disease had there been no pre-existing disability or dormant, but aroused diseased condition.

(4) The remaining compensation for which such resulting condition would entitle the employe, including any compensation for disability resulting from a dormant disease aroused into disabling reality by the injury or occupational disease, but excluding all compensation which the provisions of this chapter would have afforded on account of prior disabling disease had it been compensated thereunder, shall be paid out of the Subsequent Claim Fund provided for in subsection (1) of KRS 342.122.

(5) Upon motion, with notice to the Commissioner of Industrial Relations, and it appearing to the Board that a claimant who has been awarded compensation under any one of the several provisions of this chapter becomes re-employed by the employer against whom the award was made, or continues in his employment in which he was injured, any part of the award not paid at the time the claimant becomes re-employed shall be paid out of the Subsequent Claim Fund; or, if the claimant has continued in his employment then the whole award shall be paid from the Subsequent Claim Fund. Said unpaid portion of the award shall be awarded against the Subsequent Claim

Fund and paid by the Commissioner of Industrial Relations as are all other Susequent Claim awards. The employment or re-employment contemplated herein shall be at wages equal to or greater than the employe was receiving before the traumatic injury by accident.

Section 10. Section 342.121 of the Kentucky Revised Statutes is amended to read as follows:

(1) If on a claim for compensation for disability resulting from a subsequent injury by accident or occupational disease any medical question shall be in controversy, or a determination thereof necessary to the proper apportionment of liability therefor, the board shall refer the case to a physician appointed by it for the purpose of investigating and reporting to the board on the medical questions involved. The physician shall make his report to the Workmen's Compensation Board in writing with respect to all medical questions at issue or necessary to the apportionment of disability between the subsequent injury and the prior existing disability at the time of employment. The report shall show the date of prior disablement or latent, nondisabling disease, which, if in the dispute, shall be deemed a medical question.

(2) The physician appointed as provided in subsection (1) of this section shall be allowed necessary traveling expenses and reasonable fees, to be fixed by the board to each physician for making such examination and report, plus a reasonable allowance for expenses incurred in making such examination. The board may also allow traveling expenses to the employe. Such fees and expenses so approved by the board shall be paid out of the Subsequent Claim Fund in cases for subsequent injuries or occupational diseases.

(3) The physician shall, as soon as practicable after he has completed his consideration of the case, but not later than fifteen days after the examination of the employe report in writing his findings on every medical question in controversy. The physician shall also include in his report a statement indicating the physician or physicians, if any, who appeared before them, and what, if any, medical reports and X-rays were considered by them.

(4) The decision or award in the case shall conform to the findings and conclusions in such report in so far as restricted to medical questions; provided, however, that any such findings and conclusions may be set aside, reversed or modified, by the board's award or decision, in case an application for review is made to the board within ten days after the report is filed with the board and the interested parties notified, subject, however, to the following special provisions; no such findings of the physician shall be subject to review unless specfic objections thereto shall be filed with the board by a party in interest within the time limited in which to apply for review of such report.

(5) The provisions of this section shall apply only to persons mentioned in KRS 342.120.

Section 11. Section 342.122 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the taxes and assessments imposed by KRS 342.450 and 342.475, a Subsequent Claim Fund Tax at the rate of three-fourths of one percent of the amount of premiums received shall be paid by every insurance carrier as defined in KRS 342.445, subject to the credits therein set out, and the board shall assess against the payrolls of every employer carrying his own risk a Subsequent Claim Fund Tax computed by taking three-fourths of one percent of the basic premiums determined as provided in KRS 342.475. The provisions of KRS 342.450, 342.455, 342.460, 342.465 and 342.470 shall, so far as applicable, also apply to the levy and collection of such additional tax of three-fourths of one percent of such premiums of insurance carriers.

(2) All taxes and assessments imposed by subsection (1) of this section shall be paid into the State Treasury and shall be credited to the Subsequent Claim Fund for the board, which fund shall be used only for the payment of awards of compensation made by the board and chargeable against said fund, expenses of legal representation thereof, fees and expenses of the physicians in connection therewith, and shall be withdrawn for that purpose under the supervision of the Commissioner of Industrial Relations.

(3) Any sum remaining in the Subsequent Claim Fund to the credit of the Workmen's Compensation Board at the end of any fiscal year shall be set up by the Department of Finance to the credit of the Board in such fund for the next ensuing fiscal year.

(4) If the amount to the credit of the Subsequent Claim Fund as of June 30 of any year exceeds $200,000, the tax of three-fourths of one percent upon insurance premiums provided for under subsection (1) of this section and the three-fourths of one percent assessment upon employers carrying their own risk provided for under subsection (1) of this section shall not be assessed or collected during the ensuing year.

(5) If the Commissioner of Industrial Relations finds that the Subsequent Claim Fund tax levied pursuant to this section is insufficient to pay such claims awarded under the Subsequent Claim Fund provisions, then he may levy an additional assessment against all insurance companies writing Workmen's Compensation insurance in Kentucky, including every employer carrying his own risk, for an amount not to exceed $100,000. The amount of each insurance company's assessment shall be in proportion that each company's annual Workmen's Compensation premium writings in Kentucky bears to the total of all annual Workmen's Compensation premiums written in Kentucky. Such assessment will be based upon information contained in the insurance company's last filed annual statement with the Department of Insurance. Such assessments against every employer

carrying his own risk will be based upon what the premium would have been were the coverage carried with insurance companies. Payroll information filed with the Department of Industrial Relations will be the basis of such determination.

(6) The fund heretofore designated as the Subsequent Injury Fund is abolished and there is substituted therefor the Subequent Claim Fund as herein set out and all monies and properties owned by the Subsequent Injury Fund are transferred to the Subsequent Claim Fund.

Section 12. Section 342.125 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon its own motion or upon the application of any party interested and a showing of change of conditions, mistake or fraud, the board may at any time review any award or order, ending, diminishing or increasing the compensation previously awarded, within the maximum and minimum provided in this chapter, or change or revoke its previous order, sending immediately to the parties a copy of its subsequent order or award. Review under this section shall be had upon notice to the parties interested and shall not affect the previous order or award as to any sums already paid thereunder.

(2) Where an agreement has become an award by approval of the Board, and a review of such an award is initiated, no statement contained in the agreement, whether as to jurisdiction, liability of the employer, nature and extent of disability, or as to any other matter, shall be considered by the board as an admission against the interests of any party. The parties may raise any issue upon review of this type of award which could have been considered upon an original application for benefits.

Section 13. Section 342.185 of the Kentucky Revised Statutes is amended to read as follows:

No proceeding under this chapter for compensation for an injury or death shall be maintained unless a notice of the accident shall have been given to the employer as soon as practicable after the happening thereof and unless a claim for compensation with respect to such injury shall have been made within one year after the date of the accident, or in case of death, within one year after such death, whether or not a claim has been made by the employe himself for compensation. Such notice and such claim may be given or made by any person claiming to be entitled to compensation or by some one in his behalf. If payments of compensation as such have been made voluntarily the making of a claim within such period shall not be required, but shall become requisite following the suspension of such voluntary payments.

Section 14. Section 342.265 of the Kentucky Revised Statutes is amended to read as follows:

If the employe and employer reach an agreement conforming to the provisons of this chapter in regard to compensation, a memorandum of the agreement shall be filed with the board, and, if approved by it, shall be enforceable as is herein provided for the enforcement of awards by the board. Nothing herein shall prevent the voluntary payment of compensation in the amounts and for the periods prescribed in this chapter without formal agreement, but nothing shall operate as a final settlement except a memorandum of agreement filed with and approved by the board in accordance with this section. No limitations of time shall begin to run until the date upon which such agreement is filed with and approved by the board.

Section 15. Section 342.285 of the Kentucky Revised Statutes is amended to read as follows:

(1) An award or order of the board as provided in KRS 342.275, if application for review is not filed as provided for in KRS 342.280, shall be conclusive and binding as to all questions of fact, but either party may, within twenty days after the rendition of such final award or order of the board, by petition appeal to the circuit court that would have jurisdiction to try an action for damages for the injuries if this chapter did not exist, for the review of such order or award, the board and the adverse party being made respondents.

(2) The petition shall state fully the grounds upon which a review is sought, and assign all errors relied on. Summons shall issue upon the petition directing the adverse party to file answer within fifteen days after service thereof and directing the board to send its entire original record, properly bound, to the clerk of the circuit court, after certifying that such record is its entire original record, which shall be filed by the clerk of the circuit court and such record shall then become and be considered by the circuit court on the review.

(3) No new or additional evidence may be introduced in the circuit court except as to the fraud or misconduct of some person engaged in the administration of this chapter and affecting the order, ruling or award, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order, decision, or award was procured by fraud;

(c) The order, decision, or award is not in conformity to the provisions of this chapter; and

(d) If findings of fact are in issue, whether such findings of fact support the order, decision or award.

(4) The board and each party may appear in such review proceedings; the court shall enter judgment affirming, modifying or setting aside the order, decision or award, or in its discretion remanding

the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

Section 16. Section 342.316 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Occupational Disease" as used in this chapter means a disease arising out of and in the course of the employment. Ordinary diseases of life to which the general public is equally exposed outside of the employment shall not be compensable, except where such diseases follow as an incident of an occupational disease as defined in this section.

(a) A disease shall be deemed to arise out of the employment only if there is apparent to the rational mind, upon consideration of all the circumstances, a direct causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident to the work as a result of the exposure occasioned by the nature of the employment and which can be fairly traced to the employment as the proximate cause, and which does not come from a hazard to which workmen would have been equally exposed outside of the employment. The disease shall be incidental to the character of the business and not independent of the relationship of employer and employe. The disease need not have been foreseen or expected but, after its contraction, it must appear to have had its origin in a risk connected with the employment and to have flowed from that source as a rational consequence.

(b) "Injurious exposure" as used in this section shall mean that exposure to occupational hazard which would, independently of any other cause whatsoever, produce or cause the disease for which claim is made.

(2) The procedure with respect to the giving of notice of disability or death and as to the filing of claims and determination thereof in occupational disease cases and the compensation and medical benefits payable for disability or death due to such disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter except that notice of disability shall be given to the employer as soon as practicable after the employe first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted such disease, or a diagnosis of such disease is first communicated to him, which ever shall first occur.

(3) The right to compensation under this chapter for disability resulting from an occupational disease shall be forever barred unless a claim is filed with the Workmen's Compensation Board within one year after the last injurious exposure to the occupational hazard or after the employe first experiences a distinct manifestation of

an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within said period, unless a claim therefor be filed with the Workmen's Compensation Board within one year after such death; provided, however, that notice of such claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or if the incurrence of the disease or the death of the employe, and its cause was known to the employer.

(4) In claims for compensation due to the occupational disease of silicosis it must be shown that the employe was exposed to the hazards of the disease in his employment within this state for at least two years immediately next before his disability or death.

(5) The amount of compensation payable for disability due to occupational disease or for death from such disease, and the time and manner of its payment, shall be the same as provided for accidental injury or death under the general provisions of the Workmen's Compensation Act, but in no event to exceed such amounts, and, provided further, that the time of the beginning of compensation payments shall be the date of the employe's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later, and provided further, that in case of death where the employe has been awarded compensation or made timely claim within the period provided for in this section, an employe has suffered continuous disability to the date of his death occurring at any time within ten years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the Workmen's Compensation Act and in this section.

(6) In case of disability or death from silicosis, an occupational disease, complicated with tuberculosis of the lungs, compensation shall be payable as for uncomplicated silicosis, provided, however, that silicosis was an essential factor in causing such disability or death.

(7) If an autopsy has been performed, no testimony relative thereto shall be competent unless the employer or his representative and a representative of the deceased employe shall have participated therein or been given reasonable opportunity to do so.

(8) No compensation shall be payable for occupational disease if the employe at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of such disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to written inquiry made by the employer, the place, duration and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

(9) Where an occupational disease is aggravated by other disease or infirmity not itself compensable, or where disability or death from any other cause, not itself compensable is aggravated, prolonged, accelerated or in anywise contributed to by occupational disease the compensation payable shall be reduced and limited to such proportion only of the compensation that would be payable if occupational disease were the sole cause of the disability or death as such occupational disease, as a causative factor, bears to all causes of such disability or death, such reduction in compensation to be affected by reducing the number of weekly or monthly payments or the amount of such payments as under the circumstances of the particular case may be for the best interests of the claimant or claimants.

(10) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which, under the provisions of this chapter would give right to compensation, arose, subsequent to the beginning of the first compensable disability, save only to after-born children of a marriage existing at the beginning of such disability.

(11) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of such cause, that the claim for injury, disability or death which was the basis for such application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for such injury, disability or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to the provisions of this chapter. When such amendment is submitted, further or additional evidence may be heard by the board when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required herein.

(12) When an employe has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier.

Section 17. Section 342.485 of the Kentucky Revised Statutes is amended to read as follows:

If the total net surplus to the credit of the maintenance fund on

June 30th of any year exceeds $300,000.00 neither the tax provided for under KRS 342.475 nor the tax provided for under KRS 342.450 shall be collected.

Section 18. Section 342.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any employer subject to this chapter who refuses or willfully neglects to make the report required by KRS 342.330 shall be fined not more than twenty-five dollars for each offense.

(2) Any person who violates KRS 342.335 shall be fined not less than fifty dollars nor more than five hundred dollars or imprisoned for not less than ten nor more than ninety days.

(3) Any person who violates subsection (2) of KRS 342.400 shall be fined not less than fifty dollars nor more than two hundred dollars or imprisoned for not less than ten nor more than ninety days.

(4) Any employer who violates KRS 342.420 shall be fined not more than one hundred dollars for each offense.

(5) Any person who violates any of the provisions of KRS 342.445 to 342.475 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned for not less than ten nor more than ninety days, or both.

(6) Any employer who shall willfully violate any provision of KRS 342.016 or 342.017 shall be guilty of a misdemeanor and upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, and each day's operation in violation of KRS 342.016 and 342.017 shall constitute a separate offense, and such employer shall be enjoined from continuing such violations at the suit of the Attorney General in an action instituted by him in the Franklin Circuit Court, on which jurisdiction to try such action is hereby conferred.

(7) Any person who violates the provisions of subsection (1) of KRS 342.265 shall be fined not less than one hundred dollars nor more than five hundred dollars.

HB 469, AN ACT relating to forest fire prevention.

WHEREAS, survey made by the Division of Forestry covering the years 1944 through 1959, excluding the years 1952 and 1953, shows a total of 3,822,696 acres of forest lands burned or an annual average for the fourteen years of 273,049 acres; and

WHEREAS, the estimated damage to the forests of the Commonwealth for these fourteen normal years averaged annually $842,411 or a total loss of $11,793,762; and

WHEREAS, in the two years of extreme drought, 1952 and 1953, a total of 2,356,097 acres were burned at an estimated loss of $18,038,131; and

WHEREAS, under present law the Division of Forestry is unable to cope with the increased hazards existing during such emergencies,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) It shall be unlawful, when the forest lands, brush lands and fields in this State or any part thereof have become so dry or parched as to create an extraordinary fire hazard endangering lives and property, for any person, except the owner, tenant or owner's authorized agent, persons regularly engaged in cutting, processing, or moving forest products, or person on official duty, to enter or travel in any state, county, municipal or private forest lands, brush lands, fields or idle or abandoned lands in the area so affected except on public highways or well defined private roads.

(2) When such an emergency is found to exist by the Director of Forestry, the Governor may proclaim such a condition to exist in the Commonwealth or any described part thereof. The provisions of subsection (1) shall be effective only during the time such proclamation is in force and only in the area where such emergency is declared to exist.

(3) The Secretary of State shall cause notice of such proclamation or any amendments or recision thereof to be published in a newspaper or newspapers of general circulation in the area affected.

Section 2. Any person who shall violate any provision of this Act shall be fined not less than ten nor more than five hundred dollars, or imprisoned not to exceed thirty days, or both.

HB 470, AN ACT relating to forest pest control.

WHEREAS, the forests of the Commonwealth constitute one of its most valuable resources, furnishing raw products to approximately one thousand, one hundred woodusing plants and mills employing over eighteen thousand persons with an annual payroll of about forty million dollars; and

WHEREAS, the forests provide protection and habitat to wildlife, and contribute more than any other factor to the success of water conservation and flood control; and

WHEREAS, the majestic American chestnut tree is now virtually extinct from the onslaught of a disease that came in from across the sea; and

WHEREAS, a very serious fungus is attacking the oaks, which causes almost instantaneous death, and there are insects and diseases which threaten the pine forests of the Commonwealth and the thousands of acres of young pine plantations; and

WHEREAS, on a national basis the recent "Timber Resources for America's Future" stated that forest insects and diseases caused seven times as much damage as forest fires; and

WHEREAS, legislation is urgently needed to protect the forests of the Commonwealth from the ravages of destructive insects and diseases, which if permitted to run unopposed would eventually destroy the State's most valuable resource which would affect the economy and social life of the Commonwealth:

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The purpose of this Act is to place in the Division of Forestry of the Department of Conservation, the authority and responsibility to control forest pests and infestations, which are hereby declared to be a public nuisance, in order to protect and preserve forest resources, enhance the growth and maintenance of forests, promote stability of forest-using industries, aid in fire control by reducing the menace created by dying and dead trees, conserve forest cover on watersheds, and protect recreational, wildlife and other values of the forests of the Commonwealth.

Section 2. The Director of Forestry shall make surveys and investigations to determine the threat or presence of infestations and control of forest pests. For this purpose duly designated representatives of the Director may enter at reasonable times on public and private lands for the purpose of conducting such surveys, investigations and controls.

Section 3. Whenever the Director of Forestry finds that any forest area is infested or threatened to be infested with forest pests, he shall determine whether measures of control are needed and are available and the area over which the control measures shall be applied. He shall prescribe the proposed zone in which control measures are to be applied, and shall publish notice of the proposal, as required by law. Such notice shall include a brief description of the location of the proposed zone of infestation and the approximate time when control measures will be executed.

Section 4. The Director of Forestry may apply measures of infestation control on public and private forests and other lands anywhere in the Commonwealth, to any trees, timber, plants or shrubs thereon harboring or which may harbor any forest pests. He may enter into agreements with owners of such lands covering the control work on their lands, and fix the prorate basis on which the cost of such work will be shared between the Commonwealth and said owner; provided, that the failure of the Director to offer an agreement to or execute an agreement with any owner shall not impair the right of his representatives to enter on the lands of said owner to conduct control operations.

Section 5. The Director of Forestry is authorized to carry out control work on other adjacent or interior holdings, which, if uncontrolled, would cause a re-infestation of the controlled area, and to contract with owners of land in the affected area relative to payment of the cost of such work.

Section 6. The Director of the Division of Forestry may cooperate with the federal government or agencies thereof, other agencies of the Commonwealth, county or municipal governments, agencies of neighboring states, or other public or private organizations, or individuals and may accept such funds, equipment, supplies or services from cooperators and others as may be deemed appropriate. The Director may provide in agreements with the federal government or its agencies for matching of federal funds as required under federal laws relating to forest pests.

Section 7. All monies collected under the provisions of this Act, including such as may be contributed or paid by the federal government or any other public or private agency, organization or individual, shall be placed in the State Treasury to the credit of a revolving, trust or agency fund account for use by the Division of Forestry in carrying out the purposes of this Act.

Section 8. The Director of the Division of Forestry is authorized as required by law, to employ necessary personnel, procure necessary equipment, supplies and services to enter into contracts in the name of the Director to provide funds to any agency of the United States for work or services under the forest pest control program. The Director of Forestry may prescribe rules and regulations for carrying out the puposes of this Act.

HB 471, AN ACT relating to watershed conservancy districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 262.745 of the Kentucky Revised Statutes is amended to read as follows:

Subject to the approval of the board of supervisors, the board of directors of a watershed conservancy district shall have power to:

(1) Levy an annual tax on the real property within the district within the limitations provided in KRS 262.760 for administration, construction, operation and maintenance of works of improvement within the district.

(2) Acquire by purchase, gift, grant, bequest, devise or through condemnation proceedings in the manner provided in KRS 416.010 to 416.080, such lands or right of ways as are necessary for the exercise of any authorized function of the district, and for such purpose, may cause examinations and surveys to be made of any lands or right of ways necessary for the performance of any authorized function of the district, in the manner provided in subsection (1) of KRS 416.130.

(3) Construct, improve, operate and maintain such structures as may be necessary for the performance of any function authorized by KRS 262.700 to 262.795.

(4) Borrow such money as is necessary for the purpose of acquiring right of ways and establishing, constructing, reconstructing, repairing, enlarging and maintaining such structures and improvements as are required by the district in the performance of its functions, and issue, negotiate and sell its bonds as provided in KRS 262.750.

Section 2. Section 262.765 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board of directors of a Watershed Conservancy District shall prepare and furnish to the county tax commissioner by January 1 each year a list of the landowners in each county involved showing the real property subject to assessment, and the county tax commissioner of the county or counties involved shall indicate, for the use of the clerk, such information on the tax rolls. The list furnished the county tax commissioner by the board of directors shall: list the landowners in alphabetical order by taxing districts as shown on the previous year's tax roll, list the total acreage and the acreage in the Watershed Conservancy District owned by each landowner, and show that part of the previous year's assessment attributable to real property within the Watershed Conservancy District on those parcels which are not entirely within the district.

(2) When the property tax rolls are delivered to the county court clerk by the county tax commissioner, as required by law, the county clerk shall compute the tax due the district from each landowner in accordance with the rate fixed by the board of directors and the value of the real property indicated on the tax roll. The computation shall be made on the regular tax bills in such manner as may be directed by regulation of the Department of Revenue.

Section 3. A vacancy on the board of directors of a Watershed Conservancy District shall be filled by the board of supervisors.

SB 70, AN ACT relating to rural highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

For improvement, construction, reconstruction and maintenance of county roads and bridges, which have not been accepted by the Department of Highways for maintenance, the sum of ten million dollars is appropriated out of the State Road Fund for each of the fiscal years 1960-61 and 1961-62. This appropriation is to be expended in accordance with the provisions of KRS 179.410 to 179.430. Not more than six percent of this appropriation shall be used for administration. This appropriation is made in lieu of appropriations that may be made by the General Appropriations Act.

SB 279, AN ACT relating to elevator safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise:

(1) "Alterations" means any change made to an existing elevator, dumbwaiter or escalator or to its hoistway enclosure or doors other than the repair or replacement of damaged, worn or broken parts necessary for normal operation;

(2) "Authorized representative" means the building department of cities, towns or other governmental subdivisions designated by the Commissioner of the Department of Public Safety to enforce this Act;

(3) "Board" means the Elevator Safety Board described in Section 2 of this Act;

(4) "Commissioner" means Commissioner of Public Safety;

(5) "Department" means the Department of Public Safety;

(6) "Dormant elevator, dumbwaiter or escalator" means an elevator or dumbwaiter whose cables have been removed, whose car and counter-weight rest at the bottom of the shaftway, and whose shaftway openings are completely and permanently boarded up or barricaded, or an elevator, dumbwaiter or escalator whose main power feed lines have been disconnected and removed;

(7) "Dumbwaiter" means a hoisting and lowering mechanism, driven by mechanical power, equipped with a car that moves in guides in a substantially vertical direction, the floor area of which does not exceed nine square feet, whose total compartment height does not exceed four feet, the capacity of which does not exceed five hundred pounds, and that is used exclusively for carrying freight;

(8) "Elevator" means a hoisting and lowering mechanism equipped with a car or platform that moves in guides in a substantially vertical direction. "Elevator" does not include a dumbwaiter, conveyor, chain or buckethoist, construction hoist or similar devices used for the primary purpose of elevating or lowering materials, nor does it include tiering, piling, feeding or similar machines or devices giving service within only one story. "Power

elevator" means those driven by the application of energy other than hand or gravity. "Hand elevators" means those driven by manual power;

(9) "Escalator" means a power- driven incline, continuous-stairway or runway used for raising or lowering passengers;

(10) "Freight elevator" means an elevator used for carrying freight, on which only the operator and the persons necessary for loading and unloading are permitted to ride;

(11) "New installation, new elevator, dumbwaiter or escalator" means a complete elevator, dumbwaiter or escalator installation, the application for the permit for the installation or relocation of which is filed on or after the effective date of application of the rules and regulations adopted by the board as provided in Section 2 of this Act. All other elevators, dumbwaiters or escalators shall be deemed to be existing installations;

(12) "Passenger elevator" means an elevator that is used to carry persons other than the operator and persons necessary for loading and unloading;

(13) "General inspector" means an inspector examined and hired to inspect elevators and lifting apparatus for the Commonwealth of Kentucky;

(14) "Special inspector" means an inspector examined and commissioned by the commissioner to inspect elevators and lifting apparatus in the Commonwealth of Kentucky;

(15) "Inspector" means either a general or special inspector; and

(16) "Chief inspector" means the chief elevator inspector appointed by the commissioner as provided in Section 3.

Section 2. (1) There is created the Elevator Safety Board, consisting of five members, one of whom shall be the commissioner, who shall serve ex officio, and four of whom shall be appointed to the board by the Governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. At the expiration of the respective terms of each, a successor, indentifiable with the same interests respectively as hereinafter provided, shall be appointed for a term of four years. Upon the death, resignation or incapacity of any member, the Governor shall fill the vacancy, for the remainder of the unexpired term, with a representative of the same interests as those of his predecessor. Of the four appointed members, one shall be a representative of the owners and lessees of elevators within this state, one shall be a representative of the manufacturers of elevators used within this state, one a representative of an insurance company authorized to insure the operation of elevators in this state, and one shall be a representative of the public at large.

(2) It shall be the duty of the board to license elevator inspectors as hereinafter provided, and the board shall have the power and it shall be its duty to consult with engineering authorities and organizations studying and developing standard safety codes, including the American Standards Association, and determine what rules and regulations governing the qualifications, training and duties of elevator operators and the operation, maintenance, construction, alteration and installation of elevators, dumbwaiters and escalators and the inspection and tests of new and existing installations are adequate, reasonable and necessary to provide for the safety of life, limb and property, and to protect the public welfare, and upon such determination shall make, amend or repeal, from time to time rules and regulations as follows:

(a) Rules and regulations for the maintenance, inspection, tests and operation of all elevators, dumbwaiters and escalators;

(b) Rules and regulations for the construction of new elevators, dumbwaiters and escalators;

(c) Rules and regulations for alteration of existing elevators, dumbwaiters and escalators; and

(d) Rules and regulations prescribing minimum safety requirements for all existing elevators, dumbwaiters and escalators.

(3) The board shall also have the power in any particular case to grant exceptions and variations from the literal requirements of the rules and regulations adopted by the board. Such exceptions and variations shall only be granted in any particular case where it is clearly evident that they are necessary in order to prevent undue hardship or where the existing conditions prevent compliance with the literal requirements of the rules and regulations. In no case shall any exemptions or variations be granted unless in the opinion of the board, reasonable safety shall be secured thereby.

(4) It shall also be the duty of the board to hear and decide any appeals from the orders or acts of the department or its authorized representative as provided in Section 13 of this Act.

(5) A public hearing shall be held by the board prior to the adoption of any rules or regulations authorized by this Act. Copies of such rules and regulations as are proposed by the board for adoption, shall be made available to all interested parties at least thirty days prior to such hearing. Notice of each such hearing shall be published not less than fifteen days prior to the date assigned for such hearings.

(6) The rules and regulations adopted by the board shall be effective after filing as prescribed by KRS 13.085 but in no case less than six months after adoption by the board.

(7) The rules and regulations adopted by the board shall be amended or repealed in the same manner in which they are adopted.

Section 3. (1) Within sixty days after the effective date of this Act and at any time thereinafter that the office of chief inspector becomes vacant, the commissioner with the approval of the board shall appoint a chief inspector who shall have had at the time of such appointment not less than ten years of practical experience in the construction, maintenance and repair of elevators, or in elevator engineering, or as elevator inspector to be chief until his successor has been appointed and qualified. The chief inspector shall be removed for cause after due investigation by the board and upon its recommendation to the commissioner.

(2) The chief inspector is hereby charged, directed and empowered:

(a) to prosecute all violators of the provisions of this Act;

(b) To publish and distribute among manufacturers and others requesting, copies of the rules and regulations as adopted by the board;

(c) To furnish a bond in the penal sum of ten thousand dollars conditioned upon his faithful performance of his duties and upon a true account of all monies handled by him; and

(d) To collect all fees, licenses and charges provided for in this Act, and to pay them into the State Treasury. Such fees, licenses and charges shall comprise a trust and agency fund allocated for use in the administration of this Act, and any portion of the fund not used during a fiscal year shall be carried forward for subsequent use. Provided, that all such trust and agency funds exceeding fifty thousand dollars at the close of any fiscal year shall revert to the General Fund.

Section 4. (1) The department shall have the power and it shall be its duty to enforce the provisions of this Act and the rules and regulations promulgated by the Board. The commissioner shall appoint a sufficient number of qualified persons as general inspectors to insure adequate enforcement of this Act.

(2) In cities, towns or other governmental subdivisions having a building department which employs licensed inspectors to enforce the provisions of this Act, the commissioner may designate such building department as the authorized representative of the Department of Public Safety to enforce and carry out the provisions of Sections 5, 6, 7, 8, and 9 or any portion thereof as may be designated by him.

(3) All existing installations shall be brought into conformity with the Act within a period of five years from the effective date of this Act.

Section 5. Within six months after the date of adoption by the board of rules and regulations, the owner or lessee of every existing elevator, dumbwaiter and escalator shall register with the department each such elevator, dumbwaiter or escalator owned or operated by him giving type, contract load and speed, name of manufacturer, its location and the purpose for which it is used and such other information as the department may require. Such registration shall be made on a form to be furnished by the department on request. Elevators, dumbwaiters and escalators, the erection of which is begun subsequent to the date of adoption of the rules and regulations promulgated under this Act shall be registered within not more than seven days after they are completed and placed in service.

Section 6. All new and existing elevators, dumbwaiters and escalators, except dormant elevators, dumbwaiters and escalators shall be tested and inspected in accordance with the following schedule:

(1) Every new or altered elevator, dumbwaiter and escalator shall be inspected and tested in conformity with the applicable rules and regulations adopted by the Board before the operating permit, required by Section 9 of this Act, is issued. Such inspections and tests shall be made under the supervision of a licensed elevator inspector in the employ of the department or its authorized representative.

(2) The owner or lessee of every existing passenger elevator or escalator shall cause it to be inspected within six months and the owner or lessee of every existing freight elevator and dumbwaiter shall cause it to be inspected within twelve months after the effective date of the rules and regulations adopted by the board under this Act, except that the department may, at its discretion ,extend the time specified herein for making such inspections.

(3) The owner or lessee shall cause an inspection of every power passenger elevator and escalator to be made periodically every sixth calendar month and of every power freight elevator every twelfth calendar month, and of every dumbwaiter and elevator driven by manual power every twelfth month, following the month in which the initial inspection, required by subsections (1) or (2) has been made, provided that any such inspection may be made during the month following the calendar month during which such inspection is due.

(4) The inspections required by subsections (1), (2), and (3) shall be made only by elevator inspectors who have been licensed in accordance with the provisions of Section 12 of this Act.

(5) A report of every required inspection shall be filed with the department by the inspector making such inspection, on a form approved by the department within thirty days after the inspection or test has been completed. For the inspections required by subsections (2) and (3), the report shall include all information required by the department to determine whether the owner or lessee of the elevator, dumbwaiter or escalator has complied with those rules and regulations adopted by the board are applicable. For the inspections required by subsection (1), the report shall indicate whether the elevator, dumbwaiter or escalator has been installed in accordance with the detailed

plans and specifications approved by the department under Section 7 of this Act and meets the requirements of the applicable rules and regulations adopted by the board under Section 2 of this Act.

(6) In the event that the report required by subsection (5) is not filed within thirty days after the final date when such elevator, dumbwaiter or escalator should have been inspected as required by subsections (2) and (3), the department shall designate a licensed inspector in its employ or an authorized representative to make such inspection and the report required by subsection (5).

(7) In addition to such "required inspections" the department may designate a licensed inspector in its employ or an authorized representative to make such additional inspections as may be required to enforce the provisions of this Act and the rules and regulations adopted by the board under Section 2 of this Act. No fee shall be charged for such inspection.

Section 7. On and after the effective date of the rules and regulations adopted by the board under Section 2 of this Act, detailed plans and specifications of each elevator, dumbwaiter or escalator to be thereafter installed, relocated or altered shall be submitted directly to the department or to the department through its authorized representative, together with an application for a construction permit on forms to be furnished or approved by the department. Repairs or replacements normally necessary for maintenance may be made on existing installations with parts equivalent in material, strength and design to those replaced and no plans or specifications or applications need be filed for such repairs or replacements.

Section 8. A construction permit shall be issued by the department for every new elevator, dumbwaiter or escalator installation or alteration before the installation thereof is started. The department shall issue such permit if the plans and specifications required under Section 7 of this Act indicate compliance with the applicable rules and regulations adopted by the board under Section 2 of this Act. If such plans and specifications indicate failure of compliance with the applicable rules and regulations adopted by the board under Section 2 of this Act, the department shall give notice to the persons filing the application of changes necessary for compliance therewith. After such changes have been made, the department shall issue a construction permit. No permit shall be required for the repairs or replacement normally necessary for maintenance referred to in Section 7.

Section 9. (1) Operating permits shall be issued by the department within the time limits hereafter specified, to the owner or lessee of every new or altered elevator, dumbwaiter and escalator and of every existing elevator, dumbwaiter and escalator where the inspection report indicates compliance with the applicable sections of this Act, provided that no permit shall be issued if the fees required by

Section 10 of this Act have not been paid. The time limits shall be thirty days for existing elevators, dumbwaiters and escalators and seven days for new and altered elevators, dumbwaiters and escalators after the required date for filing the inspection report required by Section 6 (5) of this Act, unless such time is extended by the department. No elevator, dumbwaiter or escalator shall be operated by the owner or lessee thereof after the dates specified in this section unless such operating permit has been issued.

(2) The operating permit shall indicate the type of equipment for which it is issued and in the case of elevators shall state whether passenger or freight and shall also state the contract load and speed for such elevator, dumbwaiter or escalator. The permit shall be posted conspicuously in the car of the elevator and on or near the dumbwaiter or escalator. It shall be extended by endorsement by the department or its authorized representative after each periodic inspection required by Section 6 (3) of this Act and shall not be valid unless so endorsed.

(3) If the inspection report required by Section 6 of this Act indicates failure of compliance with such applicable rules and regulations, approved by the board under Section 2 of this Act or with the detailed plans and specifications approved by the department under Section 8 of this Act, the department or its authorized representative shall give notice to the owner or lessee or person filing such plans and specifications of changes necessary for compliance with such rules and regulations. After such changes have been made, the department shall issue an operating permit.

(4) If the inspection report required by Section 6 of this Act indicates that an elevator, dumbwaiter or escalator is in an unsafe condition, so that its continued operation may be dangerous to the public safety, the department or its authorized representative may, at its discretion, require the owner or lessee to discontinue the use thereof until it has been made safe and in conformity with the rules and regulations of the board.

(5) If the department or its authorized representative has reason to believe that any owner or lessee to whom an operating permit has been issued is not complying with the applicable rules and regulations adopted by the board under Section 2 of this Act, the board shall so notify such owner or lessee and shall give notice of a date for a hearing thereon to such owner or lessee. If, after such hearing, the board shall find that such owner or lessee is not complying with such rules and regulations, it shall revoke such permit.

(6) If a flagrant violation of this Act has been brought to the attention of the commissioner after a permit has been revoked for cause, and if after the owner or lessee has been before the board for a hearing, he continues to operate the elevator, dumbwaiter or escala-

tor, the Chief Elevator Inspector shall seal the equipment out of service.

Section 10. (1) For all new installations of elevators, dumbwaiters or escalators, the permit and inspection fee shall be payable as follows: five h.p. motor or less, twenty-five dollars and fifty cents; six h.p. motors to ten h.p. motors, forty-two dollars and fifty cents; over ten h.p., three dollars and forty cents for each h.p. more than ten; hand power freight and sidewalk type elevators, seventeen dollars.

(2) For each inspection and report made at the direction of the department or its authorized representative as provided in Section 6 of this Act, the owner or lessee of such elevator, dumbwaiter or escalator shall pay to the department a fee of ten dollars. Such fee shall be paid to the department through the chief inspector, and shall be the only fee for which the owner or lessee shall be liable under this Act for the inspection required by Section 6 of this Act.

Section 11. Every elevator, dumbwaiter and escalator shall be maintained by the owner or lessee in a safe operating condition and so that it conforms to the rules and requirements of the board as adopted under Section 2 of this Act.

Section 12. (1) No person shall be licensed as an elevator inspector to make required inspections of elevators, dumbwaiters or escalators unless he has satisfied the board that he has had experience in designing, or installing, or maintaining or inspecting elevators, dumbwaiters or escalators and has passed satisfactorily a written examination given by the board testing his knowledge of this Act and the rules and regulations adopted by the Board under Section 2 of this Act; provided, however, that the board may license a person as an elevator inspector without such examination and demonstration if he holds a license as an inspector of elevators for a state or city that has a standard of examination substantially equal to that provided for in this section. A written application for a license shall be made upon a form to be supplied by the board upon request, and shall be accompanied by a statement of the applicant's experience together with an examination fee of ten dollars. Examinations shall be given not more than six months from the date when the applicant makes such application. If the applicant has the experience and successfully passes the examination herein specified, he shall, upon payment to the board of a license fee of two dollars, be entitled to a license as an elevator inspector as a matter of right. A license shall be issued for a period of one year, and reissued annually upon the payment of a two dollar fee for each annual renewal.

(2) The applicant's written examination shall be available for the applicant's inspection. There shall be no limit to the number of times the applicant may seek a license as herein provided, except that a rejected applicant may not make a new application within six months

from the date on which he is notified that he has failed to qualify. A fee of ten dollars shall be paid to the board for each subsequent examination. If the board has reason to believe that a licensed inspector is no longer qualified to hold his license, it shall give such inspector reasonable notice of a time and place of a hearing at which the board shall inquire into the inspector's fitness and competency to act as an elevator inspector. If thereafter the board finds that such inspector is no longer qualified to act as an elevator inspector, it shall revoke his license forthwith, and such inspector shall not thereafter make any inspections required under this Act.

Section 13. Any person aggrieved by an order or act of the department or its authorized representative under this Act may, within fifteen days notice thereof, appeal from such order or act to the board which shall, within thirty days thereafter, hold a hearing of which at least fifteen days written notice shall be given to all interested parties. The board shall, within thirty days after such hearing, issue an appropriate order modifying, approving or disapproving said order or act. A copy of such order by the board shall be served upon all interested parties. Within thirty days after any order or act of the board any person aggrieved thereby may file a petition in the Franklin Circuit Court for a review thereof. The court shall summarily hear the petititon and make any appropriate order or decree.

Section 14. No amendment shall be made to the rules and regulations adopted by the Board unless public hearings are held as provided in Section 2 of this Act. Any person engaged in the inspection, alteration, construction, repair or operation of elevators, dumbwaiters or escalators or any owner, insurer, or lessee thereof, may from time to time, by written petition to the commissioner request that any rules and regulations adopted by the board under Section 2 of this Act be amended or the commissioner himself may petititon for such amendments. The commissioner shall refer such petition to the board for its consideration and recommendation, and the board shall hold public hearings with respect to the subject matter of the petition, and shall thereafter approve or disapprove such petition. Such amendments approved by the board shall become effective as provided in Section 2 of this Act.

Section 15. No city or other governmental subdivision shall have the power to make any ordinance, by-law or resolution providing for the licensing, inspection, construction, installation, alteration, maintenance, or operation of elevators, dumbwaiters or escalators or for the qualification or duties of operators thereof, within the limits of such cities or governmental subdivision and any such ordinance, by-laws or resolutions heretofore made or passed shall be void and of no effect. Nothing in this Act shall, however, limit the right of such city or other governmental subdivision to enforce the provisions of this Act as permitted by Section 4.

Section 16. The department or its authorized representative shall cause prosecution for the violation of the provisions of this Act to be instituted by the Attorney General or the Commonwealth's attorney or county attorney of the county in which the violation has occurred.

Section 17. (1) Any owner or lessee, who shall violate any of the provisions of this Act shall, for the first offense be penalized by a fine of not more than two hundred and fifty dollars and costs, and, for each subsequent offense, shall be fined not more than five hundred dollars and costs.

(2) Any violator of any of the provisions of this Act relative to the operating, constructing, maintaining, and repairing of elevators shall be punished by a fine not exceeding one hundred dollars and imprisonment not to exceed thirty days or both. Each day of such unlawful operation shall be a separate offense.

Section 18. For the purpose of this Act there is hereby appropriated to the Department of Public Safety out of the General Expenditure Fund of the State Treasury, the total sum of $30,000 for the fiscal years 1958-1959 and 1959-1960.

SB 212, AN ACT relating to county buildings and the financing thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context requires otherwise, "commission" means "County Building Commission."

Section 2. Upon the fiscal court adopting an order reciting the necessity of the financing of a county building or buildings of any type and requesting the county judge to appoint a County Buildings Commission, the county judge of such county shall thereupon appoint a County Buildings Commission composed of three members. One of such members shall have his term of office designated as three years, one of such members shall have his term of office designated as two years and the remaining member shall have his term of office designated as one year. Upon the expiration of the term of office of each of these commissioners, the county judge shall appoint a commissioner to succeed him to serve for a term of three years. Each commissioner shall execute a bond to be approved by the county judge and shall be sworn to faithfully perform the duties of his position. Vacancies shall be filled by the county judge.

Section 3. (1) The commissioners shall elect a chairman, secretary and treasurer.

(2) The treasurer of the commissioner shall pay out the funds of the commission only upon presentation of warrants signed by the chairman and countersigned by the secretary of the commission. The treas-

urer shall execute bond to the commission in an amount fixed by the commission.

Section 4. The commission shall be a public corporation and commission and shall be considered as a public agency and instrumentality of the county whose county judge appoints same, in order to finance projects under the provisions hereof.

Section 5. (1) For the purpose of providing county buildings for county purposes, the county of which the members of such commission are residents may convey to the commission a fee simple title, with covenant of general warranty, to a site now held or hereafter acquired by such county.

(2) Every commission to which a site for a building has been conveyed, as provided in subsection (1) hereof, shall enter into a contract or contracts with some person for the erection on the site of a building with the necessary appurtenances according to the plans and specifications adopted by the commission and approved by the county.

Section 6. Immediately upon the approval of the plans and specifications, as provided in subsection (2) hereof, the county shall offer to lease the building for a term of one year from the time the building is completed and ready for occupancy. The lease, by its terms, shall give the lessee the option to extend the lease from year to year for periods of one year until the original term of the lease has been extended for the total number of years acceptable to the commission, not exceeding thirty years, at a rental which, if paid for the original term and for each of the full number of years for which the term is extended, with amortize the total cost of the erection of the building and appurtenances, provide an adequate maintenance fund and, in addition thereto, a sum sufficient to pay the cost of insuring the building against loss or damage by fire and windstorm or other calamity in such sum as may be agreed upon by the parties thereto.

Section 7. Any commission may establish and erect county buildings and necessary appurtenances within the county, under the provisions hereof, for the purpose of supplying the county with adequate buildings necessary to carry out its duties and powers.

Section 8. (1) When any commission desires to construct a building under the provisions of Section 7 hereof, the commission shall, by resolution, cause plans and specifications for the building to be duly made and filed in the office of the county clerk. The plans and specifications shall give a full description of the building to be constructed, the details thereof and the manner of construction. The plans and specifications shall be prepared by an architect selected by the commission and approved by the county.

(2) If the plans and specifications are approved and if the county offers to lease the building under a lease of the kind provided in

Section 6 hereof, the commission shall cause its secretary to advertise for bids, and thereafter the commission, through its chairman, may contract for the construction of the building.

Section 9. For the purpose of defraying the cost of construction or acquiring any buildings and appurtenances thereto under the provisions of Section 7 hereof, any commission may borrow money and issue negotiable bonds. No such bonds shall be issued until the conditions of Section 8 hereof have been complied with and until authorized by a resolution specifying the proposed undertaking, the amount of bonds to be issued and the maximum rate of interest the bonds are to bear, not exceeding six percent per annum. The resolution shall further provide that the building or buildings and appurtenances are to be constructed or acquired under the provisions hereof.

Section 10. (1) All bonds issued under the provisions hereof may bear interest at a rate not exceeding six percent per annum, payable semi-annually, and shall be executed in such manner and be payable at such times, not exceeding thirty years from the date thereof, and at such place as the commission determines. The bonds shall be sold in such manner and upon such terms as the commission deems for its best interests.

(2) All bonds issued under the provisions hereof shall have all of the qualities of negotiable instruments and shall not be subject to taxation. If any of the officers whose signatures appear on the bonds or coupons cease to be such officers before delivery of the bonds, the signatures shall nevertheless be valid for all purposes, the same as if the officers had remained in office until delivery. The bonds shall be payable solely from revenue derived from the building, as provided in Section 14 hereof, and shall not constitute an indebtedness of the commission within the meaning of the constitutional provisions of limitations. It shall be plainly stated on the face of each bond that it was issued under the provisions hereof and does not constitute an indebtedness of the commission.

Section 11. All money received from any bonds issued pursuant to the provisions hereof shall be used solely for the establishment or erection of the building and necessary appurtenances, except that the money may be used also to advance the payment of the interest on bonds during the first three years following the date of the bonds. There shall be a statutory mortgage lien upon the buildings and appurtenances in favor of the holder on the bonds and coupons.

Section 12. The building and appurtenances shall remain subject to the statutory mortgage lien provided by Section 11 hereof, until the payment in full of the principal and interest on the bonds. Any holder of the bonds or of any of the coupons may, either at law or in equity, protect and enforce the lien and may by action enforce and compel performance of all duties required herein, including the making and collection of sufficient rents, the segregation of income and revenue and the application thereof.

Section 13. If there is any default in the payment of principal or interest on any of the bonds, any court having jurisdiction of the action may appoint a receiver to administer the building on behalf of the commission, with power to charge and collect rental sufficient to provide for the payment of any bonds or obligations outstanding against the building and for the payment of operating expenses and to apply the income and revenue in conformity with the provisions hereof and of the resolution authorizing such bonds.

Section 14. At or before the issuance of the bonds ,the commission, by resolution, shall set aside and pledge the income of the building into a special fund to be used and applied in payment of the cost and maintenance of the building. The resolution shall definitely fix the amount of revenues necessary to be set aside and applied for the payment of principal and interest on the bonds. The balance of the income shall be set aside for the reasonable and proper maintenance of the building, including a sufficient sum to pay the cost of insurance. The commission may provide by resolution any provision and stipulation it deems necessary for the administration of the income for the security of the bondholders.

Section 15. The sinking fund shall be deposited in a depository selected by the commission. The deposit, where practicable, shall be continuously secured by a pledge to the commission of direct obligations of the United States, exclusive of accrued interest, at all times at least equal to the balance on deposit in the account or in some other manner acceptable to the purchasers or holders of the bonds. The securities shall be deposited with the commission or held by a trustee or agent satisfactory to such commission. The sinking fund may be invested in direct obligations of the United States.

Section 16. If a surplus is accumulated in the maintenance fund equal to the cost of maintaining the building during the remainder of the calendar or fiscal year, as may be provided by the resolution required by Section 14 hereof, and the cost of maintaining and operating the building for the succeeding like calendar or fiscal year, the excess over such amount shall be transferred to the sinking fund.

Section 17. (1) The commission may issue refunding bonds for the purpose of providing funds for the payment of any outstanding bonds, in accordance with the proceedings prescribed for the issuance of the original bonds. The refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds which are refunded.

(2) If the commission finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued subject to the same procedure.

Section 18. When the county has paid rent sufficient to amortize the cost of erecting the building and appurtenances and to maintain the building and pay the cost of insurance, the commssion shall thereupon convey the premises to the county and shall transfer any balance remaining in the funds provided for in Sections 14 through 16 hereof to the account of the county.

Section 19. Notwithstanding any of the other provisions hereof, the commission may, by declaring its desire to do so, provide, in addition to all of the other provisions authorized herein, in connection with the issuance of its bonds, that such bonds shall be its general obligations and may, in connection with the issuance of its bonds, execute a mortgage deed of trust in favor of a trustee, providing that in the event of default by the commission in the payment of interest or principal of its bonds or in the event of default of any other covenant contained in such mortgage deed of trust the trustee, upon behalf of the bondholders, may institute and carry through foreclosure proceedings, with the property secured by the mortgage deed of trust put up for sale on foreclosure proceedings, the proceeds of such sale to be used for the benefit of the bondholders. In connection with such plan of financing, such provisions may be inserted in the bonds themselves and in the mortgage deed of trust as may be necessary to protect the bondholders and in order to make such bonds salable with the lowest net interest cost to the commission. If the commission declares its intent by resolution to follow the provisions of this section, and in order to do so it is necessarily inconsistent that the provisions of any other sections of this law be complied with, such other provisions of this law which are necessarily inconsistent with the provisions of this section shall not be complied with to the extent but only to the extent of such necessary inconsistency. If general obligations of the commission are issued pursuant to the provisions of this section, such obligations shall be general obligations only of the commission as a public corporation and shall not be general obligations of the individual members of such commission to any extent. It is the intent of this section to permit the commission, if it desires to do so, to issue obligations under this section which may also be secured in the same way that obligations issued under the provisions of other sections of this law are secured, to the full extent that this may be done consistent with the provisions of this section.

Section 20. The provisions hereof are additional and alternate methods for the acquisition of buildings by counties and do not include, alter, amend or repeal any other statute. No proceedings shall be required for the issuance of any bonds under the provisions of this law, except such as are prescribed herein.

Section 21. The provisions of this law are severable, and if any section, paragraph, clause or provision should ever be held to be invalid, it shall not affect the validity of the remaining provisions of this law, it being hereby declared to be the intent that the provisions which are valid shall be upheld and in full force and effect.

SB 213, AN ACT relating to airports.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Two or more counties in this state may cooperate in the formation of an Air Board. The board shall be a body politic and corporate, with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with and do all things reasonably necessary to carry out the duties contemplated herein.

Section 2. One member of the board shall be appointed by the county judge of each county cooperating in the formation of such board. If there are only two counties cooperating, the two appointees appointed by the two county judges shall appoint a third member of such board.

Section 3. Members of the board shall serve for terms of four years each, and until their successors are appointed and qualified, provided, however, that in the appointment of the original member of the board one member shall serve for a term of four years, one member for a term of three years and one member for a term of two years, if there are three members. If there are more than three members, the fourth member shall serve for a term of one year, the fifth member for a term of four years and the sixth member for a term of three years and so forth. If there are only two counties cooperating, the third member of the board appointed by the two members appointed by the county judges of the respective counties cooperating shall serve for a term of two years. In making their original appointments the county judges of the counties cooperating shall state in their orders appointing their respective members the respective original terms of office of the persons so appointed. The members of such Air Board appointed by the respective county judges shall be residents of the counties of the county judges so appointing them, and in the case where there are only two counties cooperating the third member appointed by the original two appointees shall be a resident of either one of the two counties.

Section 4. The purpose of the board shall be to establish, maintain, operate and expand necessary airport and air navigation facilities.

Section 5. The board shall adopt and fix reasonable rates, charges and fees for the use of the airport and airport or air navigation facilities.

Section 6. Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of the affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. They shall at least elect a chairman from its members to serve for one year, a vice chairman, who shall act in the absence of the chairman, to serve for a period of one year, a secretary, who shall serve for one year, and a treasurer, who shall serve for one year. It shall annually thereafter elect at least such officers. One person may hold two or more offices, except that two different persons shall serve as chairman and vice chairman. The board shall employ necessary counsel, agents and employes to carry out its work and functions, and prescribe such rules and regulations as it deems necessary.

Section 7. The board may acquire by contract, lease, purchase, gift, condemnation or otherwise any real or personal property or rights therein necessary or suitable for establishing, operating or expanding airports and air navigation facilities. Sunc properties may be located within or without such counties so cooperating in the establishment of such Air Board. However, such airport and air navigation facilities and such properties shall be for the purpose of furthering the interests of such counties so cooperating in the formation of such Air Board and the general area in which such counties are located. The board may erect, equip, operate and maintain on such property buildings and equipment necessary and proper for airport or air navigation facilities.

Section 8. The board may, by resolution reciting the property as needed for the purposes contemplated herein, direct the condemnation of such property and property rights therein. The procedure for condemnation shall conform to the procedure set out in KRS 416.120, or, in the alternative, as nearly as practicable, to the provisions of KRS 177.081 to 177.089.

Section 9. In order to provide money for the purchase of property necessary for the establishment or expansion of airports and to construct, equip and maintain buildings necessary or suitable for airport purposes in county or counties which have cooperated in the formaton of such Air Board, any governmental unit or units located in such counties may make an appropriation or appropriations from its general fund or any other available source. An such governmental unit or units may make an annual levy to collect a tax not exceeding five cents on each $100 of taxable property situated in the governmental unit as determined by the last regular assessment of the governmental unit. Any appropriation shall be made by the legislative body in such amounts, in such proportion and upon such terms as the legislative body may determine. All funds derived from such appropriation and tax shall be turned over to the Air Board for the purposes set forth herein. Money so appropriated may be paid over to the board by the governmental unit in regular monthly installments.

Section 10. The board may borrow money on its own credit in anticipation of revenue to be derived from taxes and other income, and for such purposes the board may pledge the taxes or appropriation, if any, authorized under Section 9 hereof.

Section 11. The Air Board is authorized to defray the cost of acquiring any airport facilities through the issuance of revenue bonds in the same manner and under the same conditions as provided in KRS 183.630 to 183.740 for governmental units, with the exception that such bonds may be made payable at such times not exceeding forty years from the date thereof as the Air Board determines, instead of at such times not execeding twenty-five years from the date thereof, as set out in the sections referred to, and for that purpose the Air Board shall have all the powers and duties as provided by KRS 183.630 to 183.740 that are granted to or imposed upon governmental units and the legislative bodies thereof. The provisions herein shall apply in the case of airport facilities so acquired.

Section 12. Title to all property acquired for the purposes herein shall vest in the board and shall be held for the purposes herein. The Board may contract with the Federal Government and with any state government for use by such governments of the airport and facilities.

Section 13. The property acquired by the board shall be free from all taxation or assessments. The board may, with the approval of a majority of the various county judges of the counties cooperating in the formation of such board, sell, exhange, transfer and convey any of the property owned by it. The proceeds of the disposition of the property shall be held by the board for the purposes set out herein.

Section 14. Any Air Board created hereunder as an alternative method, and in addition to all other methods provided by law may acquire, construct, maintain, add to and improve airports and airport facilities and issue revenue bonds in connection therewith under the terms and provisions of Chapter 58 of the Kentucky Revised Statutes, and under said law the term "Governmental agency" means the board, and the term "public project" means airports and airport facilities.

Section 15. Notwithstanding any of the other provisions hereof, the Air Board may, by declaring its desire to do so, provide in addition to all of the other provisions authorized herein in connection with the authorization of its bonds that such bonds may be its general obligations and may, in connection with the issuance of its bonds, execute a mortgage deed of trust in favor of a trustee, providing that in the event of default by the Air Board in the payment of interest or principal on its bonds or in the event of default of any other covenant contained in such mortgage deed of trust the trustee, upon behalf of the bondholders, may institute and carry through foreclosure proceedings, with the property secured by the mortgage deed of trust put up for sale on foreclosure proceedings, the proceeds of such sale to be used for the benefit of the bondholders. In connection with such plan of financing, such provisions may be inserted in the bonds themselves and in the mortgage deed of trust as may be necessary to protect the bondholders and in order to make such bonds saleable with the lowest net interest cost to the Air Board. If the Air Board declares its intent by resolution to follow the provisions of this section, and in order to do so it is necessarily inconsistent that the provisions of any other sections of this law be complied with, such other provisions of this law which are necessarily inconsistent with the provisions of this section shall not be complied with to the extent, but only to the extent, of such necessary inconsistency. If general obligations of the Air Board be issued pursuant to the provisions of this section, such obligations shall be general obligations only of the Air Board as a public corporation and shall not be general obligations of any county or of any individual members of the Air Board to any extent. It is the intent of this section to permit the Air Board, if it desires to do so, to issue obligations under this section which may also be secured in the same way that obligations issued under the provisions of other sections of this law are secured, to the full extent that this may be done consistent wtih the provisions of this section.

Section 16. No obligation incurred by the Air Board shall give any right against any member of the Air Board. The rights of creditors of the Air Board shall be solely against the board as a corporate body and shall be satisfied only against it as a corporate body and out of property held by it in its corporate capacity.

Section 17. The Air Board, as soon as it is duly appointed and qualified, may levy one, two or three annnal taxes, which taxes need not be in successive years, of not more than five cents each year upon each $100 of assessed valuation of property within the counties cooperating to form such Air Board, to be used for the purpose of paying the expenses of organization, surveys, plans and other incidental expenses that may be necessary up to the time money is received from the sale of bonds. This tax shall be certified to the auditors and tax commissioners of the various counties and by them to the respective treasurers of the counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties and the same provisions concerning the nonpayment of taxes shall apply. The tax shall be added by the county clerk for the next state and county tax bill following the levy of the tax by the board and shall be collected concurrently with the state and county taxes. Neither the county tax commissioner nor the county court clerk shall be entitled to any additional compensation for the services rendered in connection with the listing of the property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

Section 18. (1) To facilitate the preliminary work and payment therefor, the Air Board may borrow money at a rate of interest not exceeding six per cent per annum, and may issue and sell, or deliver directly to its creditors, negotiable warrants signed upon behalf of the Air Board by its chairman or vice chairman and its secretary. The Air Board may pledge the preliminary tax authorized by Section 17 hereof, after the tax has been levied, for the repayment of the warrants. If any warrant is presented for payment and is not paid for want of funds in the treasury, the fact, with the date of refusal to pay, shall be endorsed on the back of the warrant, and the warrant shall thereafter draw interest at the rate of six per cent per annum until there is money on hand, derived from the tax levy, sufficient to pay the amount of the warrant with interest.

(2) The Air Board, in connection with the issuance of any bonds as provided hereunder, may, if desired, provide that part of the proceeds thereof may be used to make a reimbursement to such an extent as it stated of all taxes which have been collected under this section and the immediately preceding section hereof for the payment of preliminary expenses or to pay warrants issued for such purpose.

Section 19. In the original formation of the Air Board the county judge of each county cooperating shall recite in his order appointing a member of such board the name of each county so cooperating. If after the original formation of the Air Board it is desired that an additional county or counties be permitted to cooperate in connection with such Air Board and it is agreeable to the county judge of all of the counties original cooperating, as well as to all of the members of such Air Board, each county judge of each county originally cooperating shall enter an order to this effect, and the Air Board shall adopt a resolution to this effect. Thereupon, the county judge or county judges of the additional county or counties desiring so to cooperate shall enter an order or orders appointing one member of such Air Board from each additional county or counties, the term of office of such additional member or members to be for the same period or periods as if such additional county or counties had originally cooperated in the formation of such Air Board. Thereupon, such additional county or counties shall be considered as cooperating in connection with the formation of such Air Board for all the purposes of this Act.

Section 20. This Act shall be liberally construed, in order to give effect to the purposes hereof.

Section 21. The provisions hereof are additional and alternative methods for the acquisition of airport and air navigation facilities and do not include, alter, amend or repeal any other statute or provision thereof. No proceedings shall be required for the issuance of any bonds under the provisions of this law, except such as are prescribed herein.

Section 22. The provisions of this law are severable, and if any section, paragraph, clause or provision should ever be held to be invalid, it shall not affect the validity of the remaining provisions of this law, it being hereby declared to be the intent that the provisions which are valid shall be upheld and in full force and effect.

SB 160, AN ACT relating to the rendering of emergency care.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No physician or other person who in good faith renders emergency care at the scene of the emergency shall be liable for any civil damages as a result of any acts or omissions by such physician or other person in rendering the emergency care.

HB 485, AN ACT relating to the Executive Mansion and the Old Governor's Mansion.

WHEREAS, both the Senate and the House of Representatives have expressed concern over the condition and furnishings of the Executive Mansion and appointed committees to inspect the Mansion and recognizing the need for providing continuous attention to the appearance and utility of the official residence of the Chief Executive of the Commonwealth;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Chief Justice of the Court of Appeals, with the concurrence of the President Pro Tem of the Senate and the Speaker of the House of Representatives appoint a committee of five prominent citizens to provide continuing attention to the maintenance, furnishings and repairs of the Executive Mansion.

Section 2. That the committee so appointed include the first vice-president of the Kentucky Historical Society and the remaining four members be residents of Franklin County.

Section 3. That the committee herein established examine the Executive Mansion at least once each year and that the committee supervise the maintenance of a current inventory of all furnishings in the Executive Mansion, such inventory to be maintained by the Department of Finance.

Section 4. That the committee recommend, from time to time, on the need for furnishings, maintenance or repair of the Executive Mansion and that the Department of Finance shall, from funds available, take such action as is recommended.

Section 5. That the committee provide coordination and make arrangements for an orderly transition between out-going and incoming Chief Executives.

Section 6. That the committee perform the same functions required in relation to the Executive Mansion for the Old Governor's Mansion in so far as they are applicable.

HR 79, A JOINT RESOLUTION authorizing and directing payment of a claim of the estate of Robert D. Markel.

WHEREAS, Robert D. Markel of Evansville, Indiana died before final settlement of taxes that were withheld by the Commonwealth in excess of his correct tax liability; and

WHEREAS, such excess taxes amount to $2,020.94 and have never been paid to Robert D. Markel or to his estate.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Commissioner of Finance is authorized and directed to draw a warrant on the General Expenditure Fund in the amount of $2,020.94 payable to the Estate of Robert D. Markel which shall be in full satisfaction of all claims by the said estate against the Commonwealth arising out of taxes withheld in excess of the correct tax liability of Robert D. Markel.

HR 112, A CONCURRENT RESOLUTION relating to housing and property of the General Assembly.

WHEREAS, Section 27 of the Constitution provides: "The powers of the government of the Commonwealth of Kentucky shall be divided into three distinct departments, and each of them be confined to a separate body of magistracy . . .", and

WHEREAS, it appears that upon adjournment of the General Assembly in past years the Executive Branch of Government has tended to violate this section of the Constitution resulting in considerable loss of property.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the Director of the Legislative Research Commission be and he is hereby ordered and directed, as authorized in KRS 7.100 (1), to exclude from the legislative chambers, committee rooms, and offices constituting the third floor of the State Capitol Building any kind of occupancy or use other than that expressly directed to be placed on the third floor of the State Capitol Building by the General Assembly. Further, he shall be and hereby is directed to take or cause to be taken immediately upon adjournment of the General Assembly, a detailed inventory of all property belonging to the Legislative Branch of Government, and furnish such inventory to the Speaker of the House of Representatives and the President of the Senate upon the convening of the next regular session of the General Assembly. Such inventory shall note all property acquired during the period between sessions and all property lost during said period.

Senator Ware moved that the Senate do now adjourn until seven p. m., March 14. Agreed.

MONDAY, MARCH 14, 1960

FIFTY-SIXTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senator C. S. Howard, who was granted leave of absence on motion of Senator McCann.

Motions

Senator Logan moved, seconded by Senator Overbey, that when the Senate adjourns today that it adjourn in memory of Rhodes K. Myers. Agreed.

Introduction of Bills and Resolutions

SB 284, by Senator Ware: AN ACT relating to nuclear energy.

SB 285, by Senator McCann: AN ACT relating to the awarding of contracts by the Division of Purchases and Public Properties.

SR 62, by Senators Bishop and Melton: A CONCURRENT RESOLUTION relating to water resources development.

SR 61, by Senator Hamilton: A RESOLUTION requesting and petitioning the State Commission on the Sales Tax to make an early recommendation on regulations concerning the exemption of raw materials.

Senator Hamilton moved the adoption of **SR 61.** Agreed.

SR 61, A RESOLUTION requesting and petitioning the Advisory on Regulations on the Sales Tax to make an early recommendation on regulations concerning the exemption of raw materials.

WHEREAS, the Commonwealth of Kentucky is presently engaged in an effort to attract new industries to the Commonwealth; and

WHEREAS, persons who have recently established new industries in Kentucky, and persons considering the establishment of new industries in Kentucky have a vital interest in regulations concerning the exemption of raw materials from the Sales and Use Tax recently enacted; and

WHEREAS, the State Commission on the Sales Tax should make a recommendation for such regulations;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the State Commission on the Sales Tax be, and it hereby is, requested and petitioned to make its recommendation on regulations for the exemption of raw materials from the Sales and Use Tax recently enacted.

Section 2. That the Clerk of the Senate be directed to forward copies of this Resolution to the Governor of the Commonwealth of Kentucky and to each member of the State Commission on the Sales Tax.

Report of Rules Committee

Rules Committee reported **HB 366, HB 446, HB 100, SB 283, HB 511, HB 231, HB 450, HB 442, HB 370, SB 218, HB 108, HB 398, HB 37** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 366, AN ACT relating to roads and highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 179.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) The funds apportioned the several counties under the provision of KRS 179.410 shall be expended for the construction and maintenance of county roads under the supervision of the Department of Highways.

(2) Each year the Department of Highways, by agreement with the fiscal court of the county, shall plan the road construction, repair or maintenance to be done during the year with the funds herein apportioned, taking into consideration the mileage of county roads in the county, the condition and needs of such roads, giving priority to the maintenance of county roads and bridges heretofore constructed.

(3) If for any reason the Department of Highways and the fiscal court of any county are unable to reach agreement upon a plan for the repair, maintenance, construction or reconstruction of the roads of the county for any year, the Department of Highways is empowered to use such of the funds allotted for the county roads and bridges of such county as may be required for the maintenance of such roads and bridges, which amount shall not exceed 25% of the allotment to the county for the fiscal year, and such maintenance costs shall be charged to the allotment of the particular county affected.

(4) If thirty days after the beginning of the fiscal year of the Department of Highways in which the funds were apportioned, the Department and the fiscal court of any county have failed to agree on a plan, the funds so apportioned to such county, less the funds, if any, expended or obligated for the maintenance of theretofore constructed county roads and bridges shall be expended by the Department of Highways for the construction or reconstruction of the county roads

and bridges according to the priority schedule designated by the fiscal court, but the amount of money to be expended on each of the roads or bridges so designated and the type of roads or bridges and the material used shall be in accordance with the specifications of the Department of Highways.

(5) Any funds apportioned to any county, less the funds, if any, expended or obligated for the construction, reconstruction or maintenance of county roads or bridges in any county shall be held for the use and benefit of said county, and shall not be deducted from the apportionment to that county in any subsequent year, and shall not be expended in any other county or used for any other purpose.

(6) Notwithstanding any other provision of law, the Department of Highways may enter into agreements with the fiscal court of any county respecting the use of county-owned equipment or materials, and the use of county employees, and the use of equipment owned by the department, personnel of the department, or materials of the department, in accomplishing the construction, reconstruction, maintenance and repair of county roads and bridges from the funds apportioned to such county under the provisions of KRS 179.410.

Section 2. Section 179.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) All the funds apportioned under provisions of KRS 179.410 shall remain under the control of the Department of Highways and be expended under the direction of the Department of Highways.

(2) In order to provide for the simplification of the administration, and facilitate the uniform operation of KRS 179.410 to KRS 179.440, the Department of Highways may prescribe such reasonable rules and regulations, not inconsistent with law, as it deems necessary and proper to carry out the provisions of those sections.

HB 446, AN ACT relating to foods, drugs, cosmetics and devices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Kentucky Food, Drug and Cosmetic Act.

Section 2. For the purpose of this Act:

(1) The term "Board" means the State Board of Health;

(2) The term "Department" means the State Department of Health;

(3) The term "person" includes individual, partnership, corporation, and association;

(4) The term "food" means:

(a) Articles used for food or drink for man or other animals;

(b) Chewing gum; and

(c) Articles used for components of any such article;

(5) The term "drug" means:

(a) Articles recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and

(b) Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals; and

(c) Articles (other than food) intended to affect the structure or any function of the body of man or other animals; and

(d) Articles intended for use as a component of any article specified in this subsection but does not include devices or their components, parts, or accessories.

(6) The term "device" (except when used in Subsection (12) of this section and in Subsection (10) of Section 18, Subsection (6) of Section 4, Subsection (3) of Section 7, and Subsection (3) of Section 10 of this Act) means instruments, apparatus and contrivances, including their components, parts and accessories, intended:

(a) For use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or

(b) To affect the structure or any function of the body of man or other animals.

(7) The term "cosmetic" means:

(a) Articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(b) Articles intended for use as a component of any such articles, except that such term shall not include soap.

(8) The term "official compendium" means the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, official National Formulary, or any supplement to any of them.

(9) The term "label" means a display of written, printed or graphic matter upon the immediate container of any article; and a requirement made by or under authority of this Act that any word, statement, or other information appearing on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper.

(10) The term "immediate container" does not include package liners.

(11) The term "labeling" means all labels and other written, printed or graphic matter.

(a) Upon an article or any of its containers or wrappers; or

(b) Accompanying such article.

(12) If an article is alleged to be misbranded because the labeling is misleading, or if an advertisement is alleged to be false because it is misleading, then in determining whether the labeling or advertisement is misleading, there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, sound, or in any combination thereof, but also the extent to which the labeling or advertisement fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which the labeling or advertisement relates under the conditions of use prescribed in the labeling or advertisement thereof or under such conditions of use as are customary or usual.

(13) The term "advertisement" means all representations disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics.

(14) The representation of a drug, in its labeling or advertisement, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

(15) The term "new drug" means:

(a) Any drug the composition of which is such that such drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety of drugs, as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

(b) Any drug the composition of which is such that such drug, as a result of investigations to determine its safety for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

(16) The term "contaminated with filth" applies to any food, drug, device, or cosmetic not securely protected from dust, dirt, and as far as may be necessary by all reasonable means, from all foreign or injurious contaminations.

(17) The provisions of this Act regarding the selling of food, drugs, devices, or cosmetics, shall be considered to include the manufacture, production, processing, packing, exposure, offer, posssesion, and holding of any such article for sale; and the sale, dispensing, and

giving of any such article, and the supplying or applying of any such articles in the conduct of any food, drug, or cosmetic establishment.

(18) The term "Federal Act" means the Federal Food, Drug and Cosmetic Act. (Title 21 U.S.C. 301 et seq.; 52 Stat. 1040 et seq. or amendments thereto.)

(19) The term "flour" includes and shall be limited to the foods, commonly known as flour, white flour, wheat flour, plain flour, bromated flour, self-rising flour, self-rising white flour, self-rising wheat flour, phosphated flour, phosphated white flour, and phosphated wheat flour, defined under the Federal Act.

(20) The term "enriched" as applied to flour, means the addition to flour of vitamins and other nutritional ingredients necessary to make it conform to the definition and standard of "enriched" flour as defined under the Federal Act.

(21) The terms "bread" and "enriched bread" include, and shall be limited to, the foods commonly known and described as "white bread", "white rolls", "white buns", "enriched white bread", "enriched rolls", and "enriched white buns", as defined under the Federal Act.

(22) The term"fluid milk" means any milk, cream or skimmed milk, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, except the fat or oil of contained eggs and nuts and the fat or oil of substances used for flavoring purposes only, so that the resulting product is an imitation or semblance of milk, cream, skimmed milk, ice cream mix, ice cream, or frozen deserts, whether or not condensed, evaporated, concentrated, frozen, powdered, dried or desiccated, whether in bulk or in containers, hermetically sealed or unsealed. This definition does not mean or include any milk or cream from which no part of the milk or butter fat has been extracted, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added any substance rich in vitamins, nor any distinctive proprietary food compound not readily mistaken for milk or cream or for condensed, evaporated, concentrated, powdered, dried, or desiccated milk or cream, if such compound is prepared and designed for the feeding of infants or young children, sick or infirm persons, and customarily used on the order of a physician, and is packed in individual containers bearing a label in bold type that the contents are to be used for those purposes; nor shall this definition prevent the use, blending or compounding of chocolate as a flavor with milk, cream or skimmed milk, desiccated, whether in bulk or in containers, hermetically sealed or unsealed, to or with which has been added, blended or compounded no other fat or oil other than milk or butter fat.

(23) The term "practitioner" means medical or osteopathic phy-

sicians, dentists, chiropodists, and veterinarians who are licensed under the professional licensing laws of Kentucky to prescribe and administer drugs and devices.

(24) The term "prescription" means a written or oral order for a drug or medicine, or combination or mixture of drugs or medicines, or proprietary preparation, signed or given or authorized by a medical, dental, chiropody or veterinarian practitioner, and intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals.

(25) The term "Federal Meat Inspection Act" means the Federal Meat Inspection Act. (Title 21 U.S.C. 71 et seq.; 34 Stat. 1260 et seq. including any amendments thereto.)

(26) The term "Federal Poultry Products Inspection Act" means the Federal Poultry and Poultry Products Inspection Act. (Title 21 U.S.C. 451 et seq.; Public Law 85-172; 71 Stat. 441 including any amendments thereto.)

Section 3. A food shall be deemed to be adulterated:

(1) (a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this subsection if the quantity of such substance in such food does not ordinarily render it injurious to health; or

(b) If it bears or contains any added poisonous or added deleterious substance which is unsafe within the meaning of Section 5 of this Act; or

(c) If it consists in whole or in part of a diseased, contaminated, filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or

(d) If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered diseased, unwholesome, or injurious to health; or

(e) If it is the product of a diseased animal or an animal which has died otherwise than by slaughter, or that has been fed upon the uncooked offal from a slaughter house; or

(f) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(2) (a) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or

(b) If any substance has been substituted wholly or in part therefor; or

(c) If damage or inferiority has been concealed in any manner; or

(d) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength or make it appear better or of greater value than it is.

(3) If it is confectionery and its bears or contains any non-nutritive article or substance except harmless coloring, harmless flavoring, harmless resinous glaze not in excess of four-tenths of one per centum, harmless natural wax not in excess of four-tenths of one per centum, harmless natural gum, and pectin; provided that this subsection shall not apply to any chewing gum by reason of its containing harmless non-nutritive masticatory substances.

(4) If it bears or contains a coal-tar color other than one from a batch which has been certified under authority of the Federal Act.

(5) If it is filled milk.

Section 4. A food shall be deemed to be misbranded:

(1) If its labeling is false or misleading in any particular.

(2) If it is offered for sale under the name of another food.

(3) If it is an imitation of another food for which a definition and standard of identity has been prescribed by regulations as provided by Section 14 of this Act; or if it is an imitation of another food that is not subject to Subsection (7) of this Section, unless its label bears in type of uniform size and prominence, the word, imitation, and, immediately thereafter, the name of the food imitated.

(4) If its container is so made, formed, or filled as to be misleading.

(5) If in package form, unless it bears a label containing:

(a) The name and place of business of the manufacturer, packer, or distributor;

(b) An accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; provided that reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the board.

(6) If any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statement, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(7) If it purports to be or is represented as a food for which a definition and standard of identity has been prescribed by regulations as provided by Section 14 of this Act unless:

(a) It conforms to such definition and standard; and

(b) Its label bears the name of the food specified in the definition and standard, and insofar as may be required by such regulations, the common names of optional ingredients (other than spices, flavoring, and coloring) present in such food.

(8) If it purports to be or is represented as:

(a) A food for which a standard of quality has been prescribed by regulations as provided by Section 14 of this Act and its quality falls below such standard unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard; or

(b) A food for which a standard or standards of fill of container have been prescribed by regulation as provided by Section 14 of this Act and it falls below the standard of fill of container applicable thereto, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard.

(9) If it is not subject to the provisions of Subsection (7) of this section, unless it bears labeling clearly giving:

(a) The common or usual name of the food, if any there be; and

(b) In case it is fabricated from two or more ingredients, the common or usual name of each such ingredient; except that spices, flavorings, and colorings, other than those sold as such, may be designated as spices, flavorings, and colorings, without naming each; provided that to the extent that compliance with this subsection is impractical or results in deception or unfair competition, exemptions shall be established by regulations promulgated by the board.

(10) If it purports to be or is represented for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the board determines to be, and by regulations prescribes as, necessary in order to fully inform purchasers as to its value for such uses.

(11) If it bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact; provided that the extent that compliance with the requirements of this subsection is impracticable, exemptions shall be established by regulations promulgated by the board.

(12) If it is a product intended as an ingredient of another food and when used according to the directions of the purveyor will result in the final food product being adulterated or misbranded.

Section 5. Any poisonous or deleterious substances added to any food except where such substance is required in the production thereof or cannot be avoided by good production or manufacturing practice, shall be deemed to be unsafe for purposes of the application of Section 3 (1) (b) of this Act, unless a tolerance for such substance has been prescribed under the Federal Act and the quantity of such substance in or on the food is within the tolerance so prescribed or the substance has been exempted from the requirement of a tolerance under the provisions of the Federal Act.

Section 6. A drug or device shall be deemed to be adulterated:

(1) (a) If it consists in whole or in part of any filthy, putrid, or decomposed substance; or

(b) If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth or whereby it may have been rendered injurious to health; or

(c) If it is a drug and its container is composed in whole or in part of any poisonous or deleterious substance which may render the contents injurious to health; or

(d) If it is a drug and it bears or contains, for purposes of coloring only, a coal-tar color other than one from a batch certified under the authority of the Federal Act.

(2) If it purports to be or is represented as a drug the name of which is recognized in a official compendium, and its strength differs from, or its quality or purity falls below, the standard set forth in such compendium. Such determination as to strength, quality, or purity shall be made in accordance with the tests or methods of assay set forth in such compendium, or in the absence of or inadequacy of such tests or methods of assay, those prescribed under authority of the Federal Act. No drug defined in an official compendium shall be deemed to be adulterated under this subsection because it differs from the standard of strength, quality, or purity therefor set forth in such compendium, if its difference in strength, quality, or purity from such standard is plainly stated on its label. Whenever a drug is recognized in both the United States Pharmacopoeit and the Homeopathic Pharmacopoeia of the United States it shall be subject to the requirements of the United States Pharmacopoeia unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United States and not to those of the United States Pharmacopoeia.

(3) If it is not subject to the provisions of Subsection (2) of this section and its strength differs from, or its purity or quality falls below, that which it purports or is represented to possess.

(4) If it is a drug and any substance has been:

(a) Mixed or packed therewith so as to reduce its quality or strength; or

(b) Substituted wholly or in part therefor.

Section 7. A drug or device shall be deemed to be misbranded:

(1) If its labeling is false or misleading in any particular.

(2) If in package form unless it bears a label containing:

(a) The name and place of business of the manufacturer, packer, or distributor; and

(b) An accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; provided that reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the board.

(3) If any word, statement, or other information required by or

under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(4) If it is for use by man and contains any quantity of the narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marihauana, morphine, opium, paraldehyde peyote, or sulfonmethane, or any chemical derivative of such substance, which de rivitative has been by the board after investigation, found to be, and by regulations under this Act designated as, habit forming; unless its label bears the name and quantity or proportion of such substance or derivative and in juxtaposition threwith the statement "Warning—May be habit-forming."

(5) If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears:

(a) The common or usual name of the drug, if such there be; and

(b) In case it is fabricated from two or more ingredients, the common or usual name of each active ingredient, including the kind and quantity or proportion of any alcohol, and also including whether active or not the name and quantity or proportion of any bromides, ether, chloroform, acetanilid, acetophenetidin, amidopyrine, antipyrine, atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis glucosides, mercury, ouabain, strophanthin, strychnine, thyroid, or any derivative or preparation of any such substances, contained therein; provided that to the extent that compliance with this subsection is impracticable, exemptions shall be established by regulations promulgated by the board.

(6) Unless its labeling bears;

(a) Adequate directions for use; and

(b) such adequate warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as are necessary for the protection of users; provided that where any requirement of Subsection (a) of this subsection, as applied to any drug or device, is not necessary for the protection of the public health, the board shall promulgate regulations exempting such drug or device from such requirements.

(7) If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein; provided that the method of packing may be modified with a consent of the department. Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic Pharmacopoeia of the United States, it shall be subject to the requirements

of the United States Pharmacopoeia with respect to packaging and labeling unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United States, and not to those of the United States Pharmacopoeia.

(8) If it has been found by the department to be a drug liable to deterioration, unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the board shall by regulations require as necessary for the protection of public health. No such regulation shall be established for any drug recognized in an official compendium until the board shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

(9) (a) If it is a drug and its container is so made, formed, or filled as to be misleading; or

(b) If it is an imitation of another drug; or

(c) If it is offered for sale under the name of another drug.

(10) If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

(11) If:

(a) It is a drug intended for use by man which is a habit forming drug to which Section 7 (4) of this Act applies; or because of its toxicity or other potentiality for harmful effect, or the method of its use, or the collateral measures necessary to its use is not safe for use except under the supervision of a practitioner, and is not dispensed upon a prescription unless prior to dispensing its label bears the statement "Caution: Federal law prohibits dispensing without prescription"; or

(b) It is a drug or device and its label (as originally packed) directs that it is to be dispensed or sold only on prescription, unless it is dispensed or sold on a prescription of an authorized practitioner and its label (as dispense) bears the name and place of business of the dispenser or seller, the serial number and date of such prescription, and the name of such licensed practitioner. Such prescriptions shall not be refilled except on the specific authorization of the prescribing practitioner; provided that where any requirement of this subsection, as applied to any drug or device, is not necessary for the protection of the public health, the board shall promulgate regulations exempting such drug or device from such requirement.

(12) A drug sold on a prescription of a practitioner (except a drug sold in the course of the conduct of a business of selling drugs pursuant to diagnosis by mail) shall be exempt from the requirements of this section if:

(a) Such practitioner is licensed by law to administer such drug; and

(b) Such drug bears a label containing the name and place of business of the seller, the serial number and date of such prescription, and the name of such practitioner.

Section 8. (1) No person shall sell, deliver, offer for sale, hold for sale or give away any new drug unless:

(a) An application with respect thereto has become effective under the Federal Act; or

(b) When not subject to the Federal Act unless such drug has been tested and has not been found to be unsafe for use under the conditions prescribed, recommended, or suggested in the labeling thereof, and prior to selling or offering for sale such drug, there has been filed with the department an application setting forth: Full reports of investigations which have been made to show whether or not such drug is safe for use; a full list of the articles used as components of such drug; a full statement of the composition of such drug; a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug; such samples of such drug and of the articles used as components thereof as the department may require; and specimens of the labeling proposed to be used for such drug.

(2) An application provided for in Subsection (1) (b) of this section shall become effective on the 60th day after the filing thereof, except that if the department finds after due notice to the applicant and giving him an opportunity for a hearing, that the drug is not safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof, it shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective.

(3) This section shall not apply:

(a) To a drug intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety in drugs provided the drug is plainly labeled "For investigational use only"; or

(b) To a drug sold in the state at any time prior to the enactment of this Act or introduced into interstate commerce at any time prior to the enactment of the Federal Act; or

(c) To any drug which is licensed under the virus, serum, and toxin act of July 1, 1902, and any amendments thereto, (42 U.S.C., 262 et seq., and amendments thereto.)

(4) An order refusing to permit an application under this section to become effective may be revoked by the department.

Section 9. A cosmetic shall be deemed to be adulterated:

(1) If it bears or contains any poisonous or deleterious substance which may render it injurious to users under the conditions of use

prescribed in the labeling or advertisement thereof or under such condtions of use as are customary or usual; provided that this provision shall not apply to coal-tar hair dye, the label of which bears the following legend conspicuously displayed thereon: "Caution—This product contains ingredients which may cause skin irritation on certain individuals and a preliminary test according to accompanying directions should first be made. This product must not be used for dyeing the eyelashes or eyebrows; to do so may cause blindness," and the labeling of which bears adequate directions for such preliminary testing. For the purpose of this subsection and Subsection (5) of this section, the term "hair dye" shall not include eyelash dyes or eyebrow dyes.

(2) If it consists in whole or in part of any filthy, putrid or decomposed substance.

(3) If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

(4) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(5) If it is not a hair dye and it bears or contains a coal-tar color other than one from a batch which has been certified under authority of the Federal Act.

Section 10. A cosmetic shall be deemed to be misbranded:

(1) If its labeling is false or misleading in any particular.

(2) If in package form unless it bears a label containing:

(a) The name and place of business of the manufacturer, packer, or distributor; and

(b) An accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; provided that reasonable variations shall be permitted, and exemptions as to small packages will be established by regulations prescribed by the board.

(3) If any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(4) If its container is so made, formed or filled as to be misleading.

Section 11. (1) An advertisement of a food, drug, device, or cosmetic shall be deemed to be false if it is false or misleading in any particular.

(2) For the purpose of this Act the advertisement of a drug or

device representing it to have any effect in albuminuria, appendicitis, arteriosclerosis, blood poison, bone disease, Bright's disease, cancer, carbuncles, cholecytitis, diabetes, diphtheria, dropsy, erysipelas, gallstones, heart and vascular diseases, high blood pressure, mastoiditis, measles, meningitis, mumps, nephritis, otitis media, paralysis, pneumonia, poliomyelitis (infantile paralysis) prostate gland disorders, pyelitis, scarlet fever, sexual impotence, sinus infection, smallpox, tuberculosis, tumors, typhoid, uremia, veneral disease, shall also be deemed to be false, except that no advertisement not in violation of Subsection (1) of this section shall be deemed to be false under this subsection if it is disseminated only to practitioners or appears only in the scientific periodicals of these practitioners, or is disseminated only for the purpose of public health education by persons not commercially interested, directly or indirectly, in the sale of such drugs or devices; provided that when ever the board determines that an advance in medical science has made any type of self-medication safe as to any of the diseases named above, the board shall by regulation authorize the advertisement of drugs having curative or therepeutic effect for such disease, subject to such conditions and restrictions as the board may deem necessary in the interests of public health; provided that this subsection shall not be construed as indicating that self-medication for diseases other than those named herein is safe or efficacious.

Section 12. (1) Whenever a duly authorized agent of the department finds or has probable cause to believe, that any food, drug, device, or cosmetic is adulterated, or misbranded within the meaning of this Act, he shall affix to such article a tag or other appropriate marking, giving notice that such article is, or is suspected of being, adulterated or misbranded and has been detained or quarantined and warning all persons not to remove or dispose of such article by sale or otherwise until permission for removal or disposal is given by such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or quarantined article by sale or otherwise without such permission.

(2) When an article detained or quarantined under subsection (1) of this section has been found by such agent to be adulterated, or misbranded, he shall petititon the judge of the police, county, or circuit court in whose jurisdiction the article is detained or quarantined for an order for condemnation of such article; provided that nothing in this section shall require that the department or its agent shall go to court if destruction of the quarantined article is accomplished by agreement made in writing with the owner of the property. When such agent has found that an article so detained or quarantined is not adulterated or misbranded, he shall remove the tag or other marking.

(3) If the court finds that a detained or quarantined article is adulterated or misbranded, such article shall, after entry of the order,

be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or his agent; provided that when the adulteration or misbranding can be corrected by proper labeling or processing or the article, the court, after entry or the order and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article shall be so labeled or processed, has been executed, may by order direct that such article be delivered to the claimant thereof for such labeling or processing under the supervision of an agent of the department. The expense of such supervision shall be paid by the claimant. Such bond shall be returned to the claimant of the article on representation to the court by the department that the article is no longer in violation of this Act, and that the expenses of such supervision have been paid.

(4) Whenever the department or any of its authorized agents, after a state of emergency has been declared, shall find in any room, building, vehicle of transportation, or other structure, any food, drug, cosmetic, or device, which are unsound or which contain any filthy, decomposed, or putrid substance, or which may be poisonous or deleterious to health or otherwise unsafe, the same being hereby declared to be a nuisance, the department or its authorized agent shall forthwith condemn or destroy the same or in other manner render the same unfit for human use.

Section 13. The authority to promulgate regulations for the efficient administration and enforcement of this Act is hereby vested in the board. The board may make the regulations promulgated under this Act consistent with those promulgated under the Federal Act.

Section 14. Whenever in the judgment of the board such action will promote honesty and fair dealing in the interest of consumers, the board may promulgate regulations fixing and establishing for any food or class of food: A reasonable definition and standard of identity, a reasonable standard of quality, and fill of container. In prescribing a definition and standard of identity for any food or class of food in which optional ingredients are permitted, the board shall, for the purpose of promoting honesty and fair dealing in the interest of consumers, designate the optional ingredients which shall be named on the label. The definitions and standards so promulgated shall conform so far as practicable to the definitions and standards promulgated under authority of the Federal Act, the Federal Meat Inspection Act, or the Federal Poultry Products Inspection Act.

Section 15. (1) A food additive shall with respect to any particular use or intended use of such additive, be deemed to be unsafe within the meaning of Section 3 (1) (b) and Section 5, unless it and its use or intended use conform to the terms of an exemption as provided under the Federal Act, or, a regulation issued under the Federal

Act prescribing the conditions under which such additive may be safely used.

(2) Any poisonous or deleterious pesticide chemical, or any pesticide chemical which is not recognized by the department as safe for use, added to a raw agricultural commodity, shall be deemed unsafe within the meaning of Section 3 (1) (b), unless a tolerance for such pesticide chemical in or on the raw agricultural commodity has been prescribed under the Federal Act and the quantity of such pesticide chemical in or on the raw agricultural commodity is within the tolerance so prescribed; or the pesticide chemical has been exempted from the requirement of a tolerance under provisions of the Federal Act.

(3) A color additive shall with respect to any particular use (for which it is being used or intended to be used or is represented as suitable) in or on food or drugs or cosmetics, be deemed unsafe for the purposes of the application of Section 3 (4), Section 6 (1) (d), or Section 9 (5), as the case may be, unless there is in effect, and such color additive and such use are in conformity with a regulation as provided under the Federal Act, or such color additive and such use conform to the terms of an exception under the Federal Act.

Section 16. (1) The department or its duly authorized agent shall have free access at all reasonable times to any factory, warehouse, or establishment in which foods, drugs, devices, or cosmetics are manufactured, processed, packed, or held for sale, or are held after receipt in commerce, or to enter any vehicle being used to transport or hold such foods, drugs, devices or cosmetics in commerce, for the purpose:

(a) Of inspecting such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling thereon, to determine if any of the provisions of this Act are being violated; and

(b) Of securing samples or specimens of any food, drug, device, or cosmetic after paying or offering to pay for such sample. It shall be the duty of the department to make or cause to be made examinations of samples secured under the provisions of this section to determine whether or not any provision of this Act is being violated; and

(c) Of examining or reproducing books, papers, documents or other evidence pertaining to such foods, drugs, cosmetics or devices.

(2) Any inspector appointed for the purpose of administering and carrying out the provisions of this Act insofar as they relate to drugs in a retail pharmacy shall be a registered pharmacist and a graduate of a school recognized as in good standing by the Kentucky Board of Pharmacy.

Section 17. (1) The department may cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered under this Act, including the nature of the charge and the disposition thereof.

(2) The department may also cause to be disseminated such information regarding food, drugs, devices, and cosmetics as the department deems necessary in the interest of public health and the protection of the consumer against fraud. Nothing in this section shall be construed to prohibit the department from collecting, reporting, and illustrating the results of the investigations of the department.

Section 18. The following acts and the causing thereof within the Commonwealth of Kentucky are hereby prohibited:

(1) The manufacture, sale, or delivery, holding or offering for sale of any food, drug, device, or cosmetic that is adulterated or misbranded.

(2) The adulteration or misbranding of any food, drug, device, or cosmetic.

(3) The receipt in commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proferred delivery thereof for pay or otherwise.

(4) The sale, delivery for sale, holding for sale, or offering for sale of any article in violation of Section 8 of this Act.

(5) The dissemination of any false advertisement.

(6) The refusal to permit entry or inspection, or to permit the taking of a sample or to permit access to records or evidence, as authorized by Section 16 of this Act.

(7) The giving of a guaranty or undertaking which guaranty or undertaking is false, except by a person who relied on a guaranty or undertaking to the same effect signed by, and containing the name and address of the person residing in the Commonwealth of Kentucky from whom he received in good faith the food, drug, device, or cosmetic.

(8) The removal or disposal of a detained or quarantined article in violation of Section 12 of this Act.

(9) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a food, drug, device, or cosmetic, if such act is done while such article is held for sale and results in such article being adulterated or misbranded.

(10) Forging, counterfeiting, simulating, or falsely representing, or without proper authority using any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of this Act.

(11) The using, on the labeling of any drug or in any advertisement relating to such drug, of any representation or suggestion that

any application with respect to such drug is effective under Section 8 of this Act, or that such drug complies with the provisions of such section.

(12) The manufacture, sale or exchange of any filled milk.

(13) The manufacture, mixing, compounding, selling, or offering for sale of any flour unless the same is enriched; provided that this prohibition shall not apply to flour sold to bakeries or other commercial secondary processors, which flour is used only in the production of enriched flour or enriched bread or in the manufacture of products not required to be enriched.

(14) The manufacture, baking, sale, or offering for sale of any bread except bread conforming to the definition of enriched bread.

Section 19. It shall be the duty of each commonwealth attorney, county attorney, or city attorney to whom the department or its agents reports any violation of this Act, to cause appropriate proceedings to be instituted in the proper courts without delay and to be prosecuted in the manner required by law. Before any violation of this Act is reported to any such attorney for the institution of a criminal proceeding, the person against whom such proceeding is contemplated may be given appropriate notice and an opportunity to present his views before the department or its designated agent, either orally or in writing, in person, or by attorney, with regard to such contemplated proceeding.

Section 20. Nothing in this Act shall be construed as requiring the department to report for the institution of proceedings under this Act, violations of this Act, whenever the department believes that the public interest will be adequately served in the circumstances by a suitable written notice or warning.

Section 21. Notwithstanding the existence or pursuit of any other remedy (civil or criminal) the department may maintain, in its own name, an action to restrain or enjoin any violation of this Act, irrespective of whether or not there exists an adequate remedy at law.

Section 22. The State Board of Pharmacy, its agents and inspectors shall have the same powers of inspection and enforcement as the Department under this Act, insofar as it relates to drugs in a retail pharmacy.

Section 23. (1) Any person who violates any of the provisions of Section 18 of this Act shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not less than one hundred dollars nor more than five hundred dollars, or by imprisonment for not more than thirty days, or both; but if the violation is committed after a conviction of such person under this section has become final, such person shall be subject to a fine of not less than five hundred dollars nor more than one thousand dollars, or by imprisonment for not more than ninety days, or both.

(2) No person shall be subject to the penalties of Subsection (1) of this section, for having violated Section 18 (1) or (3) if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the article, to the effect that such article is not adulterated or misbranded within the meaning of this Act, designating this Act.

(3) No publisher, radio-broadcast licensee, or agency or medium for the dissemination of an advertisement, except the manufacturer, packer, distributor, or seller of the article to which a false advertisement relates, shall be liable under this section by reason of the dissemination by him of such false advertisement, unless he has refused, on the request of the department to furnish the department the name and post office address of the manufacturer, packer, distributor, seller, or advertising agency, residing in the United States who causes him to disseminate such advertisement.

(4) Any person who violates any provision of this Act, for which is specific penalty is not otherwise provided, or any rule or regulation adopted under the provision of this Act, or who fails to comply with an order of the department issued pursuant thereto, shall be fined not less than one hundred dollars nor more than five hundred dollars. Each day of violation or non-compliance shall constitute a separate offense.

Section 24. Sections 217.010, 217.020, 217.030, 217.040, 217.050, 217.060, 217,070, 217.080, 217.090, 217.100, 217.110, 217.120, 217.130, 217.140, 217.150, 217.160, 217.170, 217.180, 217.190, 217.200, 217.260, 217.270, 217.271, 217.272, 217.273, 217.274, and Subsections (1), (2), (3), and (5) of Section 217.990 of the Kentucky Revised Statutes are hereby repealed.

HB 100, AN ACT relating to the Ohio River bed.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 56.220 of the Kentucky Revised Statutes is amended to read as follows:

All that portion of the bed of the Ohio River, lying north of the thread of the stream, except accretions to islands privately owned, is declared to be vacant and unappropriated land, and the county court of each county bordering on the Ohio River may use or lease the river bed for county purposes. Any lease of such river bed for development and/or removal of sand, gravel, gas, oil or other minerals or substances, conveys full right and title to the lessee of all interests embraced by the lease; and all rents, royalties and other proceeds from such lease shall be the property of the county bordering on the Ohio River and making such leases.

All monies paid into or to be paid into the State Treasury under the terms of leases heretofore made are appropriated to the counties bordering upon the Ohio River within whose boundaries the leases that produce the monies lie, and may be used for general county purposes.

SB 283, AN ACT relating to the Department of Mines and Minerals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Wherever used in Chapter 351 of the Kentucky Revised Statutes, the term "Chief" or "Chief of the Department of Mines and Minerals" shall be deemed to refer to the Commissioner of Mines and Minerals.

Section 2. Section 351.050 of the Kentucky Revised Statutes is amended to read as follows:

On July 13 of every fourth year, beginning with 1934, the Governor shall appoint a Commissioner of Mines and Minerals for a term of four years. The oath taken by the commissioner shall be in writing and certified by the officer administering it, and the oath and certificate shall be filed in the office of the Secretary of State. The commissioner shall receive a salary of twelve thousand dollars per annum, payable monthly, and shall be paid his necessary traveling and other expenses incurred on account of and when engaged in the discharge of his official duties. The provisions of KRS 64.640 shall not apply to the salary of the commissioner.

HB 511, AN ACT relating to commissioners and receivers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.270 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties containing a city of the first class, commissioners and receivers appointed by the circuit court shall receive an annual salary of $7,200, payable out of the fees of the office. In counties containing a population of 75,000 or over but not containing a city of the first class, commissioners and receivers appointed by the circuit court shall receive an annual salary of $6,000, payable out of the fees of the office.

(2) The amount, if any, allowed for necessary office expenses of said commissioners and receivers shall be fixed and regulated by an order entered upon the order book of the circuit court. A certified copy of the order and any subsequent changes made therein shall, as soon as entered, be forwarded to the Department of Finance.

(3) Each of said commissioners and receivers shall enter and

keep in books in his office an account of the amounts earned by him or due him for official services rendered, when and to whom the service was rendered, what part has been paid, and when paid. He shall annually, in January, report to the Department of Finance, under oath, the amount received by him for official services from all sources during the preceding year, and the amount paid out for deputies, assistants and office expenses, giving separately the amount paid out for each item.

(4) Except as provided in subsection (5) of this section, the commissioner or receiver shall, with the annual statement, pay to the Department of Finance any amount in excess of his salary, received during the preceding year for official services, that remains after payment of salaries of deputies and assistants and legitimate office expenses.

(5) Such commissioners and receivers may make up out of the surplus of any year any shortage in their salaries, or the salaries of their deputies, of any previous year.

HB 231, AN ACT relating to auctioneers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act shall be known and may be cited as the Auctioneers License Act of 1960.

Section 2. As used in this Act unless the context otherwise requires:

(1) "Apprentice auctioneer" means any person, who for compensation or valuable consideration, or otherwise, is employed, directly or indirectly, by an auctioneer to deal or engage in any activity in subsection (2);

(2) "Auctioneer" means any person who, for a fee, commission, or any other valuable consideration, or with the intention or expectation of receiving the same, by the means of, or process of, an auction or sale at auction, offers, negotiates or attempts to negotiate, a listing contract, sale, purchase or exchange of goods, chattels, merchandise, real or personal property, or of any other commodity which may lawfully be kept or offered for sale by or at public auction;

(3) "Board" means the Board of Auctioneers;

(4) "Goods" means any chattels, goods, merchandise, real or personal property, or commodities of any form or type which may be lawfully kept or offered for sale;

(5) "Persons" includes individuals, associations, partnerships and corporations, and the word "persons" shall also include the officers, directors and employes of a corporation.

Section 3. On and after July 1, 1960, it shall be unlawful for any person to act as an auctioneer or apprentice auctioneer, or to advertise or to assume to act as either within the Commonwealth without a license issued by the Board of Auctioneers.

Section 4. Section 3 of this Act shall not apply to:

(1) Sales at auction conducted by or under the direction of any public authority or pursuant to any judicial order of decree, or to any sale required by law to be at auction.

(2) The owner of any real or personal property.

Section 5. (1) There is hereby created a Board of Auctioneers. The Governor shall upon the effective date of this Act, appoint a Board consisting of three members, each of whom immediately prior to the date of his appointment has been a resident of the Commonwealth of Kentucky for five years, and whose vocation for a perod of at least five years has been that of an auctioneer. One member shall be appointed for a term of one year; one member shall be appointed for a term of two years; one member shall be appointed for a term of three years, and until their successors are appointed and qualified. Thereafter, the term of the member of the Board shall be for three years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term.

(2) At no time shall there be more than two members of the same political faith. At the outset, and whenever there is a vacancy in the future, the Kentucky Auctioneer Association shall recommend to the Governor at least three names for each vacancy and the appointment or appointments shall be made from the recommendations of the association.

(3) The board immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a chairman.

(4) Each member of the board shall receive the sum of twenty-five dollars per day as full compensation for each day actually spent on the work of the board and his actual and necessary expenses incurred in the performance of duties pertaining to his office.

(5) The board shall have full authority to employ, and discharge, a secretary and such other personnel as may be necessary to administer and enforce the provisions of this Act, and it shall outline the duties and fix the compensation of such persons, which compensation shall be comparable to the salaries paid other state employees doing similar work. The board shall obtain office space, furniture, stationery and any other proper supplies and conveniences reasonably necessary to carry out the provisions of this Act.

(6) All fees and charges collected by the board under the provisions of this Act shall be paid into the State Treasury through the Department of Finance and shall be credited to an agency-fund account for the Board of Auctioneers under the provisions of KRS

45.140 and shall be withdrawn or expended as provided in that section. The total expenses for all purposes and obligations of the board shall not exceed the total fees, charges, fines and penalties imposed under the provisions of this Act and paid into the State Treasury. The board shall be financially self-sustaining, and if funds permit, it may underwrite, within its financial limitations, educational programs for the enlightenment and benefit of all auctioneers and apprentice auctioneers who have paid fees pursuant to this chapter.

(7) The board shall annually publish a list of the names and addresses of all auctioneers and apprentice auctioneers licensed by it pursuant to this Act. This roster shall also contain a list of all persons whose licenses have been suspended or revoked within the preceding year, as well as any other information relative to the enforcement of the provisions of this Act that the board may deem of interest to the public.

Section 6. (1) Auctioneer and apprentice auctioneer licenses shall be granted only to persons who are found to be of good repute, trustworthy and competent to transact the business of an auctioneer or of an apprentice auctioneer in such a manner as to safeguard the interest of the public.

(2) In addition, the board is authorized to require additional information from every applicant to determine the applicant's honesty and truthfulness.

(3) In addition to proof of honesty, truthfulness and good reputation, an examination, conducted by the board or its authorized representative shall be held four times each year, and an examination fee of fifty dollars shall be collected from each applicant to defray the expenses of the examination. The examination shall include questions on ethics, reading, writing, spelling, elementary arithmetic, elementary principles of land economics and a general knowledge of the statutes of Kentucky relating to the bulk sales law, deeds, mortgages, contracts of sale, agency, leases, auctions, brokerage and the provisions of this Act. The examination for an auctioneer's license shall be of a more exacting nature and scope than the examination for an apprentice auctioneer.

(4) However, no examination shall be required for the renewal of any present or future license, unless such license has been revoked, suspended, or is allowed to expire without renewal. In any of these cases, the applicant shall take and pass the written examination offered by the board before a new license may be issued.

(5) The provisions of subsection (3) requiring applicants to pass a written examination to obtain a license shall not apply to an auctioneer or apprentice auctioneer furnishing satisfactory proof to the board that he actively engaged in the auction business for a period of at least one year prior to the effective date of this Act, and that he has been the principal auctioneer in at least five auctions of either

real or personal property during this period of time. Such an applicant shall file his application and proof with the board no later than October 1st, 1960, and the application and proof shall be accompanied by a bond and license fee in accordance with the provisions of this Act. However, a non-resident tobacco auctioneer may qualify by December 1, 1960.

Section 7. (1) In addition to the qualifications outlined hereinbefore every applicant for an auctioneer's license shall be at least twenty-one years of age and be a citizen of the United States. In addition an applicant shall have served a bona fide apprenticeship for a period of one year as an apprentice auctioneer in Kentucky. Every application for a license, whether as an auctioneer or apprentice auctioneer, shall be submitted on forms prepared by the board.

(2) Every applicant for an apprentice auctioneer's license shall be a citizen of the United States and at least eighteen years of age. In addition to other requirements imposed by this Act, the applicant shall furnish pertinent background data as outlined on the application forms furnished by the board.

(3) The issuance fee for each auctioneer's and apprentice auctioneer's license shall be fifteen dollars and the annual renewal fee for each license shall be fifteen dollars. All licenses shall expire on June 30 of each year. In the absence of any reason or condition which might warrant the refusal of the renewing of the license, and upon receipt of the written request of the applicant and the annual fee therefor, the board shall issue a new license for each ensuing year.

(4) The board shall prepare and deliver to each licensee a license certificate and pocket card. The certificate shall be displayed conspicuously at all times in the office of the licensee. The certificate and pocket card of the apprentice auctioneer shall contain the name and address of the auctioneer under whose supervision he is employed.

(5) When any apprentice auctioneer is discharged or terminates his employment with the auctioneer for any reason, it shall be the immediate duty of the auctioneer to deliver or mail by registered mail to the board of license of the apprentice auctioneer. It shall be unlawful for any apprentice auctioneer to perform any of the acts contemplated by this Act, either directly or indirectly, under authority of his license, until the apprentice auctioneer receives a new license bearing the name and address of his new employer. No more than one license shall be issued to any apprentice auctioneer for the same period of time.

(6) Notice in writing shall be given to the board by each licensee of any change of principal business location, whereupon the board shall issue a new license for the unexpired period. A change of business location without notification to the board shall automatically can-

cel the license theretofore issued. Changing a business location and issuance of a new license shall entitle the board to collect three dollars.

Section 8. Every application for an auctioneer's or apprentice auctioneer's license shall be accompanied by a bond in the amount of three thousand dollars. The bond shall be a cash bond or a surety bond and, if the latter, shall be executed by a surety company authorized to do business in this state, and shall be made to the board. The bond shall be conditioned that the applicant shall conduct his business in accordance with the provisions of this Act. The bond shall be in a form approved by the board. No license may be issued until such a bond has been filed with the board.

Section 9. (1) A non-resident may become an auctioneer or apprentice auctioneer by conforming to all the conditions of this Act.

(2) In its discretion, however, the board may waive the written examination, provided the non-resident has passed a written examination of the same standards in another state, and is in good standing in that state at the time his application is submitted.

(3) In every instance the non-resident must pay the issuance fee, the annual renewal fee and file the bond required by this chapter. The non-resident must also pay the examination fee unless the examination is waived by the board.

(4) In addition, every non-resident applicant shall file an irrevocable consent that actions may be commenced against the applicant in any court of competent jurisdiction in the Commonwealth, by the service of any summons, process or pleadings authorized by law on the secretary of the board. The consent shall stipulate and agree that the service of such process, summons or pleadings on the secretary shall be taken and held in all courts to be as valid and binding as if actual service had been made upon the applicant in Kentucky. In case any summons, process or pleadings are served upon the secretary of the board, it shall be by duplicate copies, one of which shall be retained in the office of the board, and the other immediately forwarded by registered mail to the last address of the applicant against which the summons, process or pleadings may be directed.

Section 10. Every auctioneer licensed under this chapter shall maintain a definite place of business in the Commonwealth, except as hereinafter provided, and shall erect and maintain a sign in a conspicuous place on the premises at or near the outside entrance to the principal office and all branch offices. The sign shall be written in clear and legible letters of not less than two inches in height, and shall clearly show his name and indicate that he is an auctioneer. The sign shall be placed so that it can easily be observed and read by anyone entering the place of business. Provided, however, that if the auctioneer is a nonresident, it is not necessary for him to maintain an active place of business in the Commonwealth if he maintains a place of business in the state where he was originally licensed.

Section 11. The board may suspend or revoke the license of an auctioneer or apprentice auctioneer for any of the following causes:

(1) Obtaining a license through false or fraudulent representation;

(2) Making any substantial misrepresentation;

(3) Pursuing a continued and flagrant course of misrepresentation or making false promises through agents or advertising or otherwise;

(4) Accepting valuable consideration as an apprentice auctioneer for the performance of any of the acts specified in this chapter, from any person, except his employer auctioneer.

(5) Failing to account for or remit, within a reasonable time, any money belonging to others that comes into his possession, commingling funds of others with his own, or failing to keep such funds of others in an escrow or trustee account;

(6) Paying valuable consideration to any person for services performed in violation of this chapter;

(7) Being convicted in a court of competent jurisdiction of this or any other state of a criminal offense involving moral turpitude or a felony;

(8) Violation of any rule or regulation promulgated by the board;

(9) Failure to furnish voluntarily at the time of execution, copies of all written instruments prepared by the auctioneer or apprentice auctioneer;

(10) Any conduct of an auctioneer which demonstrates bad faith, dishonesty, incompetency or untruthfulness;

(11) Any other conduct that constitutes improper, fraudulent or dishonest dealings;

(12) Failing prior to the sale at public auction to enter into a written contract with the owner or consignee of any property to be sold, containing the terms and conditions upon which such licensee receives the property for sale.

Section 12. The board may upon its own motion, and shall upon the verified written complaint of any person, investigate the actions of any auctioneer or apprentice auctioneer, or any person who assumes to act in either capacity, if the complaint, or complaint together with other evidence presented in connection with it, makes out a prima facie case of a violation of this Act.

Section 13. Before denying an application for license or before suspending or revoking any license, the board shall set the matter down for a hearing, and at least twenty days prior to the date for the hearing it shall notify the applicant or licensee in writing. The notice shall contain an exact statement of the charges made and the date and place of the hearing. The licensee or applicant at all hearings shall have the opportunity to be heard in person and by counsel. Written notice may be served by delivery of the notice personally to the applicant or licensee or by mailing the notice by registered mail to the last known business address of such applicant or licensee. If such applicant or licensee is an apprentice auctioneer, the board shall also notify the auctioneer employing him or whose employ he is about to enter, by mailing notice by registered mail to the auctioneer's last known business address. The hearing on such charges shall be at a time and place that the board shall prescribe.

Section 14. (1) In the preparation and conduct of hearings, the board shall have power to require by subpoena the attendance and testimony of witnesses and the production of papers, and any member of the board may sign subpoenas, administer oaths and affirmations, examine witnesses and receive evidence. The fees and mileage allowance paid to witnesses shall be the same as prescribed by law in judicial procedure in the courts of this Commonwealth in civil cases. Any party to any hearing before the board shall have the right to the attendance of witnesses in his behalf at such hearing upon making a request thereof to the board and designating the person or persons sought to be subpoenaed.

(2) Testimony may be taken by deposition as in civil cases, and any person may be compelled to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

(3) In case of disobedience to the subpoena, any member of the board may invoke the aid of any court of competent jurisdiction in requiring the attendance and testimony of witnesses and the production of papers; and such court may issue an order requiring the persons to appear before the board and give evidence and to produce papers as the case may be. Any failure to obey such order of the court may be punished by the court as contempt thereof.

Section 15. If the board determines that applicant is not entitled to receive a license, a license shall not be granted to such applicant, and if the board determines that any licensee is guilty of a violation of any of the provisions of this chapter, his license shall be suspended or revoked. The board, upon request of the applicant or licensee, shall furnish the applicant or licensee with a definite statement of its findings of facts and its reason or reasons for refusing to grant the license or for suspension of the rights of the licensee, or for the revocation of the license, as the case may be. The findings of fact made by the board acting within its powers shall, in the absence of fraud, be conclusive, but any person aggrieved shall have the right of an appeal from the findings of the board.

Section 16. Any party aggrieved by the action of the board in refusing to grant a license or in suspending or revoking a license may, within ten days after the entry of such order of refusal, revocation or suspension, file in the office of the clerk of the circuit court of the county in which the office of the board is located, an attested copy of the proceedings before the board, provided he shall first post a bond to secure the costs of the action in such sum as may be approved by the clerk of the circuit court, with good and solvent surety. The board shall be a necessary party to all such appeals. The circuit court clerk shall thereupon docket the case and shall immediately issue a summons for the board. No formal pleadings shall be required in such appeals but the case shall be set down by the court for as early a date as possible for a hearing, and after the hearing the court shall enter a judgment sustaining or setting aside the order of the board. Either party may appeal to the Court of Appeals from the judgment of the circuit court.

Section 17. (1) Any auctioneer or apprentice auctioneer who has had his license revoked shall not be issued another license for a period of five years from the date of revocation.

(2) The revocation of an auctioneer's license shall automatically suspend every apprentice auctioneer's license granted to any person by virtue of his employment by the auctioneer whose license has been revoked. However, the apprentice auctioneer may retain his license, by transferring to the employment of another licensed auctioneer within ten days.

Section 18. The board shall adopt a seal by which it shall authenticate its proceedings. Copies of all records and papers in the office of the board, duly certified and authenticated by the seal of the board, shall be received in evidence in all courts equally and with like effect as the original. All records kept in the office of the board under the authority of this Act shall be open to public inspection under such rules and regulations as shall be prescribed by the board.

Section 19. (1) No person, engaged in the business of or acting in the capacity of an auctioneer or an apprentice auctioneer shall bring or maintain any action in the courts of the Commonwealth for the collection of compensation for any services performed as an auctioneer or apprentice auctioneer without first alleging and proving that he was a duly licensed auctioneer or apprentice auctioneer at the time the alleged cause of action arose.

(2) No apprentice auctioneer shall have the right to institute a suit in his own name for the recovery of a commission, fee or compensation for services as an apprentice auctioneer, but any such act shall be instituted and brought by the licensed auctioneer employing such apprentice auctioneer. However, this action shall not prevent a li-

censed apprentice auctioneer from suing his employing auctioneer for any compensation, fees or commissions due him from such auctioneer.

Section 20. Nothing contained in this Act shall affect the power of municipalities to tax, license or regulate auctioneers and apprentice auctioneers. The requirements hereof shall be in addition to the requirements of any existing or future ordinances of any municipality so taxing, licensing, or regulating auctioneers or apprentice auctioneers.

Section 21. Any person who violates Section 3 of this Act shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by imprisonment for a term not to exceed ninety days, or both.

HB 450, AN ACT providing for the creation of an area planning commission in urbanized centers, prescribing its duties and powers, its method of creation and continued existence as a body politic, with power to levy a tax and to regulate and control the use of land, public improvements and utilities within its boundaries, providing an appeal, and providing penalties for violation of certain of the provisions thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In any two or more adjacent counties, one of which has a city having a population of more than 50,000 and not more than 200,000 inhabitants as declared by the last Federal census, the various cities and the counties may consolidate their planning operations by establishing an Area Planning Commission which may be created under the provisions of this Act, when in the judgment of the legislative bodies of said cities and counties a consolidation provides for a more efficient planning operation.

Section 2. If the fiscal courts of any two or more adjacent counties elect to be consolidated as provided in Section 1 hereof, and the respective legislative bodies of cities representing more than two-thirds of the population of the residents living within the boundaries of corporate territories of each county, by ordinance or resolution elect to consolidate as provided in Section 1 hereof, then the cities and counties so affected shall authorize the execution of a contract between themselves agreeing to participate in the creation of an Area Planning Commission and agreeing to be governed by the provisions of this Act. When a sufficient number of municipalities and counties have executed said agreement, copies shall be filed in the office of the clerk of each of the counties affected. Thereupon an Area Planning Commission is established.

Section 3. (1) The Area Planning Commission as created under the provisions of this Act shall be composed of not more than nine members who shall be selected from governmental units participating in the existence of the Area Planning Commission by the affirmative action of the Area Council hereinafter provided for.

(2) Of the initial membership five members shall be elected for a term of two years, and four members for a term of one year each, and upon the expiration of their respective terms the successors of each shall be elected for a term of two years.

(3) At its first regular meeting in each year, the Commission shall elect from its membership a chairman and a vice-chairman. The vice-chairman shall have the authority to act as the chairman during the absence of its chairman.

(4) The Commission may appoint from within or without its own membership, a secretary, prescribe his duties and fix his compensation.

(5) Members of the Commission may be removed for cause by an affirmative action of the Area Council.

(6) Vacancies may be filled at any time by the affirmative action of the Area Council for the unexpired term existing.

(7) Each member of the Commission, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully, and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of this Act. The oath shall be filed with the clerk of the county court in the county of his residence.

(8) Each member of the Commission shall give a good and sufficient bond, to be approved by the Area Council, conditioned upon the faithful and honest performance of his duties, and as security for all moneys coming into his hands or under his control. The cost of the bonds shall be paid by the Commission.

(9) A quorum shall consist of a majority of the members of the Commission.

(10) The Commission shall appoint a treasurer from within or without its membership, prescribe his duties and fix his compensation. The treasurer shall execute a good and sufficient bond, conditioned upon the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. Said bonds shall be in the penal sum of twenty-five thousand dollars. The cost of the bond shall be paid by the Commission.

(11) Meetings shall be held at the call of the chairman.

Section 4. (1) In order to provide more effective representation of the various governmental units participating in the creation of the Area Planning Commission, an Area Council shall be created.

(2) The Area Council shall be composed of one member elected by the legislative body of each municipality and county within the Area Planning territory.

(3) Each year the various governmental units, composing the Area Planning territory, shall elect their members for the Area Council.

(4) At its first regular meeting in each year, the Council shall elect from its membership a president and vice-president. The vice-president shall have the authority to act as president of the Council during the absence or disablity of the president.

(5) The Council may appoint from within or without its own membership a secretary, prescribe his duties and fix his compensation.

(6) The Council shall confer in an advisory capacity with the Area Planning Commission created hereunder. All actions taken by the Council must receive the affirmative vote of each county and each city of the second class and one-half of the remaining membership for passage.

(7) The Area Council may budget in each year for the payment of a per diem for each member of the Area Planning Commission not to exceed the sum of twenty dollars per day for each day the Commission is in actual session, not to exceed in any one year the sum of one thousand dollars for each member.

(8) A quorum of the Area Council shall consist of a majority of its membership.

Section 5. The master plans or portions thereof of each of the participating units of government, including all zoning ordinances and amendments, supplements and changes thereto, heretofore and hereafter adopted by the said units, and all action taken under the authority of such ordinances shall continue and be in effect unless they are in conflict as to planning with actions taken by the Area Planning Commission.

Section 6. The Area Planning Commission created hereunder, when accepted by the cities and counties affected as provided for herein, shall then be a political subdivision and shall be in perpetual existence, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, levy an annual tax, which shall not exceed more than five cents upon each one hundred dollars of the assessed valuation of property within the counties affected, to be used for the purpose of defraying all expenses necessary and incidental to carry out the continuing activities of the Area Planning Commission. This tax shall be certified to the auditors and county clerks of the various counties and by them to the respective treasurers of the counties, signator to the contract provided for in Section 2. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties and the same provisions concerning the non-payment of taxes shall apply. The tax shall be added by the county clerk to the next state and county tax bill following the levy of the tax by the Area Planning Commission, and shall be collected concurrently with state and county taxes. The sheriff shall be allowed a fee not to exceed four percent for collection.

Section 7. (1) To effectuate the purposes of this Act the Area Planning Commission shall have the power and duty to:

(a) Establish a master plan of the entire area within its jurisdiction or portions thereof, which may include any part or all of the plans set out in Section 5 hereof. The master plan shall include studies of the population and the economy of the area of jurisdiction of the Area Planning Commission and shall include proposals for future land use, major streets, highways, and other public grounds, places and buildings for all or part of that area.

(b) Appoint an executive director for the Commission and fix his compensation. The director shall be qualified by training and experience in the field of planning and zoning.

(c) Establish a land use plan of the entire area under its jurisdiction or portions thereof, if it deems it necessary. The area land use plan may include the zoning plans now adopted by the various cities affected, but shall include a map of the entire area of its jurisdiction showing the land use districts into which it is divided. It shall prepare a text consisting of general minimum standards or requirements for those zones. The text and portion of the map pertaining to the jurisdiction of each governmental unit in the Area Planning Commission shall be presented to the legislative bodies of the various governmental units with the recommendation that they be adopted by ordinance or order. Provided, however, that any governmental unit under the jurisdiction of the Area Planning Commission may adopt more strict regulations or impose higher standards of land use than adopted by the land use plan.

(d) Prescribe the qualifications of, appoint, remove and fix the compensation of employes of the Commission.

(e) Prepare, publish and distribute reports and other material relating to the business of the Commission.

(f) Prepare and submit an annual budget for the operation of the Commission.

(g) Exercise general supervision of and make regulations for the administration of the affairs of the Commission.

(h) Prescribe uniform rules pertaining to investigations and hearings.

(i) Keep an accurate and complete record of all Commission proceedings, financial statements, and annually report to the various cities and counties signators to the agreement provided in Section 2 hereof.

Section 8. It shall be unlawful for any person, firm, corporation or public official to construct or authorize the construction of any public street, public roadway, public parkway, public grounds, public place, or public utility, privately or publicly owned, within the Area Planning boundaries until and unless the proposed location and extent of such public construction or authorization shall have been approved by the Area Planning Commission upon proper presentation and hearing. Notice of such hearing shall be given as provided for other hearings. Any person found guilty of a violation of the foregoing Section shall, upon conviction in a court of competent jurisdiction, be fined in the sum of not less than one hundred dollars nor more than five hundred dollars.

Section 9. Prior to the adoption of a master plan, or a portion thereof, or any amendments thereto, as herein provided for, the Area Planning Commission shall give notice and hold a public hearing thereon. At least ten days prior to the date set for said hearing the Commission shall publish in a newspaper of general circulation in each of the counties, signators to the agreement provided for in Section 2 hereof, a notice of the time and place of hearing.

Section 10. After a public hearing has been held the Commission may adopt the master plan or portion hereof, or any amendment thereto, and certify it to the various cities and counties, signators to the agreement provided for in Section 2 hereof. One copy of which shall be placed on file in the office of the county clerk of each of said counties.

Section 11. (1) Any person, firm, corporation, organization, public official or governmental unit being a party of record at any hearing and claiming to be injuriously affected or aggrieved by an action or decision of the Commission growing out of such hearing, may appeal from such action or decision to the circuit court of the county in which the major portion of the land affected by such decision or action relates, and jurisdiction is hereby given to such circuit court to hear and determine all questions and issues properly brought before it on such appeal.

(2) Appeal shall stay all action by all parties of record in the matter appealed from. Such appeals shall be taken within thirty days after notice of such action or decision has been given, by filing in the office of the circuit clerk a statement of appeal setting forth the action or decision appealed from, the date thereof, the grounds for said appeal, and attaching thereto as a part thereof, a certified copy of such action or decision. After the appeal is taken the procedure shall be as provided for in the Rules of Civil Procedure of Kentucky. Hearings in the circuit court shall be de nova and heard by the judge. Appeals may be taken from the decision of said circuit court to the Court of Appeals of Kentucky in the same manner as provided in the Rules of Civil Procedure.

HB 442, AN ACT relating to school attendance and 4-H Club activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Anything in the statutes of the Commonwealth to the contrary notwithstanding, all pupils in the schools of the state who are enrolled in a properly organized 4-H Club shall be considered present at school for all purposes when participating in regularly scheduled 4-H Club educational activities, provided, the student is accompanied by or under the supervision of a county Extension agent or the designated 4-H Club leader for the 4-H Club educational activity participated in.

HB 370, AN ACT relating to fire department aid.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 17.250 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner shall allot on an annual basis the funds appropriated for fire department aid in the amounts not to exceed $1,000 to fire departments in those cities of the third through sixth classes, fire prevention districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.320, and all other organized fire departments recognized by the Commissioner as fire departments operated and maintained on a non-profit basis in the interest of the health, safety, prosperity and security of the inhabitants of the Commonwealth. With the advice of the Fire Department Committee, he shall prescribe regulations and standards for determining the amounts to be granted. Such standards shall be based on the number of firemen, both paid and volunteer, the amount of equipment, housing facilities available and such other matters or standards as will best effect the purposes of the fire department aid law. No allotment shall exceed the total value of the funds, equipment, lands and buildings made available to the local fire units from any source whatever for the year in which the allotment is made.

Section 2. To carry out the purposes of the Fire Department Aid Law, there is appropriated to the Department of Public Safety out of the General Expenditure Fund in the State Treasury the sum of $50,000 for the 1960-1961 fiscal year, and the sum of $50,000 for the 1961-1962 fiscal year.

SB 218, AN ACT relating to fraternal benefit societies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 300.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) A society may provide for benefits on the lives of children under the minimum age for adult membership but not greater than twenty-one years of age at time of application therefor, upon the application of some adult person, as its laws or rules may provide, which

benefits shall be in accordance with the provisions of KRS 300.550. A society may, at its option, organize and operate branches for such children. Membership and initiation in local lodges shall not be required of such children, nor shall they have a voice in the management of the society.

(2) A society shall have power to provide for the designation and changing of designation of beneficiaries in the certificates providing for such benefits and to provide in all other respects for the regulation, government and control of such certificates and all rights, obligations and liabilities incident thereto and connected therewith.

Section 2. Section 300.570 of the Kentucky Revised Statutes is amended to read as follows:

(1) A society may grant paid-up non-forfeiture benefits, cash surrender values, certificate loans and such other options as its laws may permit. As to certificates issued on and after the effective date of this act, a society shall grant at least one paid-up non-forfeiture benefit, except in the case of pure endowment, annuity or reversionary annuity contracts, reducing term insurance contracts or contracts of term insurance of uniform amount of fifteen years or less expiring before age sixty-six.

(2) In the case of certificates other than those for which reserves are computed on the Commissioners 1941 Standard Ordinary Mortality Table, the Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality Table, the value of every paid-up non-forfeiture benefit and the amount of any cash surrender value, loan or other option granted shall not be less than the excess, if any, of (a) over (b) as follows:

(a) the reserve under the certificate determined on the basis specified in the certificate; and

(b) the sum of any indebtedness to the society on the certificate, including interest due and accrued, and a surrender charge equal to two and one-half per cent of the face amount of the certificate, which, in the case of insurance on the lives of children, shall be the ultimate face amount of the certificate, if death benefits provided therein are graded.

(3) However, in the case of certificates issued on a substandard basis or in the case of certificates, the reserves for which are computed upon the American Men Ultimate Table of Mortality, the term of any extended insurance benefit granted including accompanying pure endowment, if any, may be computed upon the rates of mortality not greater than one hundred thirty per cent of those shown by the mortality table specified in the certificate for the computation of the reserve.

(4) In the case of certificates for which reserves are computed on the Commissioners 1941 Standard Ordinary Mortality Table, the

Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality table, every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan or other option granted shall not be less than the corresponding amount ascertained in accordance with the provisions of the laws of this state applicable to life insurance companies issuing policies containing like insurance benefits based upon such tables.

Section 3. Section 300.610 of the Kentucky Revised Statutes is amended to read as follows:

(1) After one year from June 19, 1958, no life benefit certificate shall be delivered or issued for delivery in this state unless a copy of the form shall have been filed with and approved by the Commissioner of Insurance.

(2) The certificate shall contain in substance the following standard provisions or, in lieu thereof, provisions which are more favorable to the member:

(a) Title on the face and filing page of the certificate clearly and correctly describing its form;

(b) A provision stating the amount of rates, premiums or other required contributions, by whatever name known, which are payable by the insured under the certificate;

(c) A provision that the member is entitled to a grace period of not less than a full month, or thirty days at the option of the society, in which the payment of any premium after the first, may be made. During such grace period the certificate shall continue in full force, but in case the certificate becomes a claim during the grace period before the overdue payment is made, the amount of such overdue payment or payments may be deducted in any settlement under the certificate;

(d) A provision that the member shall be entitled to have the certificate reinstated at any time within three years from the due date of the premium in default, unless the certificate has been completely terminated through the application of a non-forfeiture benefit, cash surrender value or certificate loan, upon the production of evidence of insurability satisfactory, to the society and the payment of all overdue premiums and any other indebtedness to the society upon the certificate, together with interest on such premiums and such indebtedness, if any, at a rate not exceeding six percent per annum compounded annually;

(e) Except in the case of pure endowment, annuity or reversionary annuity contracts, reducing term insurance contracts, or contracts of term insurance of uniform amount of fifteen years or less expiring before age sixty-six, a provision that, in the event of default in payment of any premium after three full years' premiums have been paid or after premiums for a lesser period have been paid if the contract so provides, the society will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up non-forfeiture benefit on the plan stipulated in the certificate, effective as of such due date, of such value as specified in this chapter. The certificate may provide, if the society's laws so specify or if the member shall so elect prior to the expiration of the grace period of any overdue premium, that default shall not occur so long as premiums can be paid under the provisions of an arrangement for automatic premium loan as may be set forth in the certificate;

(f) A provision that one paid-up non-forfeiture benefit as specified in the certificate shall become effective automatically unless the member elects another available paid-up non-forfeiture benefit, not later than sixty days after the due date of the premium in default;

(g) A statement of the mortality table and rate of interest used in determining all paid-up non-forfeiture benefits and cash surrender options available under the certificate, and a brief general statement of the method used in calculating such benefits;

(h) A table showing in figures the value of every paid-up non-forfeiture benefit and cash surrender option available under the certificate for each certificate anniversary either during the first twenty certificate years or during the term of the certificate, whichever is shorter;

(i) A provision that the certificate shall be incontestable after it has been in force during the lifetime of the member for a period of two years from its date of issue except for nonpayment of premiums, violation of the provisions of the certificate relating to military, aviation, or naval service and violation of the provisions relating to suspension or expulsion as substantially set forth in the certificate. At the option of the society, supplemental provisions relating to benefits in the event of temporary or permanent disability or hospitalization and provisions which grant additional insurance specifically against death by accident or accidental means, may also be excepted. The certifcate shall be incontestable on the grounds of suicide after it has been in force during the lifetime of the member for a period of two years from date of issue. The certificate may provide, as to statements made to procure reinstatement, that the society shall have the right to contest a reinstated certificate within a period of two years from date of reinstatement with the same exceptions as herein provided;

(j) A provision that in case the age or sex of the member or any other person is considered in determining the premium and it is found at any time before final settlement under the certificate that the age or sex has been misstated, and the discrepancy and premium involved have not been adjusted, the amount payable shall be such as the premium would have purchased at the correct age and sex; but if the correct age was not an insurable age under the society's charter or laws, only the premiums paid to the society, less any payments previously made to the member, shall be returned or, at the option of the society, the amount payable under the certifcate shall be such as the premium would have purchased at the correct age according to the society's promulgated rates and any extension thereof based on actuarial principles;

(k) A provision or provisions which recite fully, or which set forth the substance of, all sections of the charter, constitution, laws, rules or regulations of the society, in force at the time of issuance of the certificate, the violation of which will result in the termination of, or in the reduction of, the benefit or benefits payable under the certificate;

(1) If the constitution or laws of the society provide for expulsion or suspension of a member, any member so expelled or suspended, except for nonpayment of a premium or within the contestable period for material misrepresentations in such member's application for membership shall have the privilege of maintaining his insurance in force by continuing payment of the required premium; and

(m) In the case of a certificate issued by a foreign or alien society, a provision that the rights or obligations of the member or of any person rightfully claiming under the certificate shall be governed by the laws of this state. Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance or because the certificate is an annuity certificate may, to the extent inapplicable, be omitted from the certificate.

(3) After one year from June 19, 1958, no life benefit certificate shall be delivered or issued for delivery in this state containing in substance any of the following provisions:

(a) Any provision limiting the time within which any action at law or in equity may be commenced to less than two years after the cause of action shall accrue;

(b) Any provision by which the certificate shall purport to be issued or to take effect more than six months before hte originial application for the certificate was made, except in case of transfer from one form of certificate to another in connection with which the member is to receive credit for any reserve accumulation under the form of certificate from which the transfer is made; or

(c) Any provision for forfeiture of the certificate for failure to repay any loan thereon or to pay interest on such loan while the total indebtedness, including interest, is less than the loan value of the certificate.

(4) The word "premiums" as used in this chapter means premiums, rates, or other required contributions by whatever name known.

Section 4. Section 300.750 of the Kentucky Revised Statutes is amended to read as follows:

(1) Reports shall be filed and synopsis of annual statements shall be published in accordance with the provisions of this section.

(2) Every society transacting business in this state shall annually, on or before the first day of March, unless for cause shown such time has been extended by the Commissioner of Insurance, file with the Commissioner of Insurance a true statement of its financial condition, transactions and affairs for the preceding calendar year and pay a fee of five dollars for filing same. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the Commissioner of Insurance.

(3) A synopsis of its annual statement providing an explanation of the facts concerning the condition of the society thereby disclosed shall be printed and mailed to each benefit member of the society not later than June 1 of each year, or, in lieu thereof, such synopsis may be published in the society's official publication.

(4) As a part of the annual statement herein required, each society shall, on or before the first day of March, file with the Commissioner of Insurance a valuation of its certificates in force on December 31 last preceding provided, the Commissioner of Insurance may in his discretion for cause shown extend the time for filing such valuation for not more than two calendar months. Such report of valuation shall show, as reserve liabilities, the difference between the present mid-year value of the promised benefits provided in the certificates of such society in force and the present mid-year value of the future net premiums as the same are in practice actually collected, not including therein any value for the right to make extra assessments and not including any amount by which the present mid-year value of future net premiums exceeds the present mid-year value of promised benefits on individual certificates. At the option of any society, in lieu of the above, the valuation may show the net tabular value. Such net tabular value as to certificates issued prior to one year after June 19, 1958, shall be determined in accordance with the provisions of law applicable prior to June 19, 1958, and as to certificates issued on or after one year from June 19, 1958, shall not be less than the reserves determined according to the Commissioners' Reserve Valuation method as hereinafter defined. If the premium charged is less than the tabular net premium according to the basis of valuation used, an additional reserve equal to the present value of the deficiency in such premiums shall be set up and maintained as a liability. The reserve liabilities shall be properly adjusted in the event that the midyear or tabular values are not appropriate.

(5) Reserves according to the Commissioner's Reserve Valuation method, for the life insurance and endowment benefits of certificates providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such certificates, over the then present value of any future

modified net premiums therefor. The modified net premiums for any such certificate shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the certificate, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the certificate and the excess of (a) over (b) as follows:

(a) A net level premium equal to the present value, at the date of issue, of such benefits provided for after the first certificate year, divided by the present value, at the date of issue, of an annuity of one percent per annum payable on the first and each subsequent anniversary of such certificate on which a premium falls due; provided however, that such net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such certificate; and

(b) A net one-year term premium for such benefits provided for in the first certificate year.

Reserves according to the Commissioners' Reserve Valuation method for (1) life insurance benefits for varying amounts of benefits or requiring the payment of varying premiums, (2) annuity and pure endowment benefits, (3) disability and accidental death benefits in all certificates and contracts, and (4) all other benefits except life insurance and endowment benefits, shall be calculated by a method consistent with the principles of this subsection.

(6) The present value of deferred payments due under incurred claims or matured certificates shall be deemed a liability of the society and shall be computed upon mortality and interest standards prescribed in the following subsection.

(7) Such valuation and underlying data shall be certified by a competent actuary or, at the expense of the society, verified by the actuary of the Department of Insurance of the state of domicile of the society.

(8) The minimum standards of valuation for certificates issued prior to one year from June 19, 1958, shall be those provided by the law applicable immediately prior to June 19, 1958, but not lower than the standards used in the calculating of rates for such certificates.

(9) The minimum standard of valuation for certificates issued after one year from June 19, 1958, shall be three and one-half percent and the following tables:

(a) For certificates of life insurance—American Men Ultimate Table of mortaility, with Bowerman's or Davis' Extension thereof or with the consent of the Commissioner of Insurance, the Commissioners 1941 Standard Ordinary Mortality Table, the Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality Table, using actual age of the insured for male risks and an age not more than three years younger than the actual age of the insured for female risks;

(b) For annuity certificates, including life annuities provided or available under optional modes of settlement in such certificates—the 1937 Standard Annuity Table

(c) For disability benefits issued in connection with life benefits certificates—Hunter's Disability Table, which, for active lives, shall be combined with a mortality table permitted for calculating the reserves on life insurance certificates, except that the table known as Class III Disability Table (1926) modified to conform to the contractual waiting period, shall be used in computing reserves for disability benefits under a contract which presumes the total disability shall be considered to be permanent after a specified period;

(d) For accidental death benefits issued in connection with life benefits certificates—the Inter-Company Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life insurance certificates; and

(e) For non-cancellable accident and health benefits—the Class III Disability Table (1926) with conference modifications or, with the consent of the Commissioner of Insurance, tables based upon the society's own experience.

(10) The Commissioner of Insurance may, in his discretion, accept other standards for valuation if he finds that the reserves produced thereby will not be less in the aggregate than reserves computed in accordance with the minimum valuation standard herein prescribed. The Commissioner of Insurance, may, in his discretion, vary the standards of mortality applicable to all certificates of insurance on substandard lives or other extra hazardous lives by any society authorized to do business in this state. Whenever the mortality experience under all certificates valued on the same mortality table is in excess of the expected mortality according to such table for a period of three consecutive years, the Commissioner of Insurance may require additional reserves when deemed necessary in his judgment on account of such certificates.

(11) Any society, with the consent of the Commissioner of Insurance of the state of domicile of the society and under such conditions, if any, which he may impose, may establish and maintain reserves on its certificates in excess of the reserves required thereunder, but the contractual rights of an insured member shall not be affected thereby.

(12) A society neglecting to file the annual statement in the form and within the time provided by this section shall forfeit one hundred dollars for each day during which such neglect continues, and upon notice by the Commissioner of Insurance to that effect, its authority to do business in this state shall cease while such default continues.

HB 108, AN ACT relating to Chambers of Commerce.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 102.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The articles of incorporation shall be as follows: "We, the undersigned business and professional men resident, or conducting a business, or having a branch office, in the city of ____________, county of ____________, Kentucky, adopt the following articles of incorporation:

Article I. The objects of this corporation shall be to advance and improve civic welfare, and to advertise and develop the industries and resources of ____________, Kentucky.

Article II The name of this corporation shall be ____________ Chamber of Commerce.

Article III. The affairs of this corporation shall be conducted by a board of not less than six directors, and such officers as may be established by the bylaws of the corporation.

Article IV. The annual dues of the members of this corporation shall be not less than twelve dollars, payable as provided in the bylaws of the corporation.

Article V. Any resident of the city or county, or any firm or individual operating a business or branch office therein, whose application meets with the approval of the board of directors, may become a member by paying the first dues, and thereafter complying with the articles of incorporation and bylaws.

Article VI. This corporation shall continue until terminated by operation of law.

Article VII. The board of directors shall adopt such bylaws as they deem necessary for the regulation of the affairs of this corporation.

(2) The articles of incorporation shall be recorded by the county clerk without fee."

HB 398, AN ACT relating to clerks of justices' courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In each justice's district in counties containing a city of the second class and a population of less than 250,000 the justice of the peace may appoint a clerk for a term not to exceed the current term of office of the justice, and any necessary deputy clerks. All clerks and deputy clerks shall receive a salary as determined under KRS 64.530 paid from the fees received by the justice's court.

HB 37, AN ACT relating to assessment dates for city taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 92.420 of the Kentucky Revised Statutes is hereby amended to read as follows:

92.420. Assessment date for city taxation.

Property subject to city taxation shall be assessed for city taxation as of the following dates:

(1) In cities of the second class, July 1.

(2) In cities of the third class, a date fixed by the city legislative body.

(3) In cities of the fourth class, January 1.

(4) In cities of the fifth class, January 1.

(5) In cities of the sixth class, January 1.

CALENDAR

SB 108, SB 125, HB 361, HB 358, HB 331, HB 340, HB 95, SB 281, HB 464, HB 52, HB 426, HR 32, SB 280, HB 457, HB 469, HB 470, HB 471, SB 70, SB 279, SB 212, SB 213, SB 160, HB 485, HR 79, HR 112 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Report on Enrolled Bills

Committe on Enrollment reported **HB 216, HB 232, HB 162, HB 251, HR 63, HB 207** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Orders of the Day

Senator Ware moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Ware moved that the vote by which the motion to reconsider **HB 109** was laid on the table be reconsidered. Agreed.

Senator Ware moved to reconsider the vote on **HB 109** in the March 11 Journal. Agreed.

Amendment # 1 to **HB 109** by Senator Hehl, who moved the adoption. Agreed.

Said Amendment #1 to **HB 109** is as follows:

Amend printed copy of **HB 109** on page 2, line 30 by adding the following:

"Section 2. Section 278.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) For the purpose of maintaining the Public Service Commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the commission shall each year assess the necessary amount upon all utilities except sanitation districts established pursuant to KRS Chapter 220 in the proportion to their gross earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year, and shall notify each utility on or before May 31 of the amount assessed against it. The total amount so assessed shall not in any year exceed $250,000, and the sum paid by each utility shall not be less than $5 in any one year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities."

Senator Hehl moved the Previous Question on **HB 109**, as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bishop, Blake, Brand, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 109** was passed and the title agreed to.

Senator Hehl moved that the vote by which **HB 109** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 237 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 237**, by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **SB 237** is as follows:

Amend printed copy of **SB 237** on page 3, section 1 (9), lines 45 through 51, by striking Subsection 9 of Section 1 in its entirety and by substituting in lieu thereof the following:

(9) "Farmstead" means a farm dwelling together with other farm buildings and structures incident to the operation and maintenance of the farm located outside the corporate limits of a municipality and not connected to a public water supply.

Senator Ware moved the Previous Question on **SB 237**, as amended. Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Blake, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware, White. Nays 6—Bishop, Brand, Derickson, Kelly, Kidwell, Young. **SB 237** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 237** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 269 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 269**. Agreed.

On the roll call, the vote vote was: Yeas 29—Bassett, Brand, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duncan, Francis, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 3—Bishop, Kelly, Kidwell. **SB 269** was passed and the title agreed to.

Title Amendment to **SB 269**, by Senator D. W. Howard, who moved the adoption. Agreed.

Said Title Amendment to **SB 269** is as follows:

"Amend Title to **SB 269** so as to read: AN ACT providing for the conduct of public business in public and to be known as the Kinkead-McCann Act."

Senator Kinkead moved that the vote by which **SB 269** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 274 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 274**. Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Duncan. **SB 274** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 274** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 206 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Garnett moved the Previous Question on **SB 206**. Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Blue, Bonn, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Miller. **SB 206** was passed and the title agreed to.

Senator Garnett moved that the vote by which **SB 206** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 271 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 271.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Brand, Blue, Bonn, Conley, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware, White. Nays 7—Bassett, Blake, Byers, Hamilton, Johnson, Richmond, Young. **SB 271** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 271** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 272 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 272.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Blake, Brand, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 272** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 272** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 273 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 273.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Brand, Blue, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 273** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 273** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 113 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 113**, by Senator White, who moved the adoption. Agreed.

Said Amendment #1 to **SB 113** is as follows:

"Amend printed copy of Senate Bill No. 113 on page 4, section 10, lines 3 and 4, by deleting the words "each of the fiscal years 1960-61 and 1961-62" and inserting in lieu thereof the following: "the 1960-1962 biennium."

Senator White moved the Previous Question on **SB 113**, as amended. Agreed.

On the roll call, the vote was: Yeas 25—Brand, Blue, Bonn, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 8—Bassett, Blake, Byers, Mrs. J. Harry Davis, Duncan, Hamilton, Johnson, Kelly. **SB 113** was passed and the title agreed to.

Senator White moved that the vote by which **SB 113** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 502, HB 495, HB 472, HB 422, HB 385, HB 401.**

SB 187 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Richmond moved the Previous Question on **SB 187.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 187** was passed and the title agreed to.

Senator Richmond moved that the vote by which **SB 187** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 256 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved that the Committee Substitute to **SB 256** be adopted. Agreed.

Committee Substitute for **SB 256**, AN ACT relating to financing of public improvements by assessments against benefited properties according to the "assessed value" basis; amending and re-enacting KRS 107.020, 107.030, 107.140 and 107.190; enacting new sections in KRS Chapter 107; and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Legislative Purpose. It is the purpose of this Act to extend permissive authority of municipalities for assessment financing of certain public improvements according to the "assessed value" basis by (a) permitting such financing of sewage treatment plants and appurtenances, as well as other sewer installations, (b) simplifying procedures under certain conditions, (c) permitting assessment bonds for sewer projects to mature over a period of up to thirty (30) years, and (d) amending and re-enacting certain specified sections of KRS Chapter 107 to make them consistent herewith.

Section 2.

KRS 107.020 is amended and re-enacted as follows:

KRS 107.020 Definitions.

(1) The term "governing body", as used in this chapter, means and includes the legislative body of any city, whether the same be designated by applicable statutes as a General Council, a Common Council, a City Council, a Board of Trustees, a Board of Commissioners, or otherwise.

(2) The term "Ordinance" means and includes any ordinance enacted in accordance with the general laws applicable to ordinances of the class of city in question, and the form of government thereof, and in accordance with the provisions of this chapter.

(3) The term "public way" means and includes streets, sidewalks, boulevards, avenues, roads, lanes, alleys, parkways, courts, terraces, and other courses of travel open to the general public by whatsoever name designated.

(4) The terms "improvement" and "project" mean and include (a) the new construction of public ways or the substantial reconstruction or widening thereof, (b) the construction, installation or substantial reconstruction of sanitary, storm, or combined sewers and appurtenances, (c) the new construction, enlargement or substantial reconstruction of sewage treatment plants for rendering sewage less

hazardous to public health, safety and general welfare or (d) any combination of the same. Bonds for improvements defined in (b) and (c) of this subsection may be caused to mature as to principal in term or serial maturities not to exceed thirty (30) years from date of issue, instead of being limited to twenty (20) years from date of issue as otherwise provided in KRS 107.090.

(5) The term "costs" as applied to any project undertaken under this chapter includes the cost of labor, materials, and equipment necessary to complete the project in a satisfactory manner, cost of land acquired, and every expense connected with the project, including preliminary and other surveys, inspections of the work, engineers' fees and costs, attorneys' fees, preparation of plans and specifications, publication of ordinances and notices, interest which will accrue on the bonds until the due date of the first annual improvement assessment levied in connection therewith, a sum equal to any discount in the sale of the bonds (if discount bids are authorized and permitted by the governing body), a reasonable allowance for unforeseen contingencies, the printing of bonds, and other costs of financing which may include the payment of a fee to a fiscal agent for advice and assistance in the preparation and marketing of the bonds.

(6) The term "assessed value basis" means the plan for the levying of annual improvement benefit assessments on the basis of the assessed values of the benefited properties, as authorized by this chapter.

(7) The term "front-foot basis" refers to the plan for financing improvements by apportioning the cost among benefited properties upon the basis of the number of linear feet thereof abutting upon the improvement project, as otherwise provided by law.

(8) The terms "property to be benefited", "properties to be benefited", "benefited property" and "benefited properties" all mean and refer to the property or properties defined in KRS 107.140.

Section 3.

KRS 107.030 is amended and re-enacted to read:

107.030 Procedure for use of alternate method. If a muncipality desires to authorize, construct, and finance an improvement pursuant to this chapter, its governing body shall initiate the proceedings by adopting an ordinance, herein called the "First Ordinance", in which announcement shall be made (a) of the public way or ways (which need not be contiguous) proposed to be improved and the geographical limits of the proposed improvement in such manner as to identify the benefited properties, and/or (b) the identity of the property or properties to be benefited by sewer installations (which may include a sewage treatment plant) which properties may be identified by naming the public way or ways upon which they abutt, if any, or by geographical location; and in either case the nature and scope of the improvement, a preliminary estimate of the costs thereof, as submitted in writing by an engineer, or firm of engineers, holding a license from the Commonwealth of Kentucky, and the amount, if any, which the city proposes to appropriate from available city funds toward the estimated cost. In all succeeding proceedings, the city shall be bound and limited by the preliminary report of the engineer, or engineers, with regard to the nature, scope, and extent of the proposed improvement project (unless the First Ordinance be amended, as hereinafter provided); but shall not be bound by, or limited to, the preliminary estimate of costs. The costs shall be determined upon the basis of construction bids publicly solicited as hereinafter provided, and shall be binding upon the city, and upon the owners of property to be benefited by the proposed improvement project, whether the same turn out to be equal to, below, or above such preliminary estimate. Architects, engineers, and fiscal agents may be employed without advertising or competition. The First Ordinance shall provide for a public hearing at a time and place specified therein (not less than one week after publication) and shall give notice that at such hearing any owner of property to be benefited may appear and be heard as to (1) whether the proposed project should be undertaken or abandoned, (2) whether the nature and scope of the project shall be altered, (3) whether the project shall be financed through the issuance of bonds according to the "assessed value basis," authorized by this chapter, or (4) whether the project shall be financed through assessments made and apportioned on a front-foot basis, as may otherwise be authorized by law. The First Ordinance shall be published as ordinances are required to be published, and if there be no requirement of publication, it shall, nevertheless, be published one time in a newspaper published in the city, or of general circulation in the City, or by posting copies in typewritten, mimeographed, or printed form in such number of public places in the city as the governing body may in said ordinance provide. The First Ordinance may designate a person, who may be the Mayor, (or the Chairman of the Board of Trustees) a member of the governing body, or any city official, to preside at and conduct such public hearing. In the absence of such designation in the ordinance, the mayor, chairman of the board of trustees, or a person designated by the mayor or chairman shall preside. Notwithstanding the foregoing, such public hearing shall not be deemed irregular or improper if it is in fact presided over and conducted at the designated time and place by any elected city officer or member of the governing body.

Section 4.

A new section of KRS is enacted, and may be designated KRS 107.085, to read:

In the event the owner or owners of all property or properties which will be subject to assessment for an improvement proposed to be undertaken shall tender to the city their written request or requests, that the improvement be undertaken and financed according to KRS 107.010 to 107.220, and shall waive the formalities of the "First Ordinance," the holding of a public hearing, the "Second Ordinance," and the provisions of KRS 107.060, permitting litigation; the governing body may, in its discretion, dispense with all of said proceedings and formalities, and may proceed as provided in KRS 107.090 with reference to the "Third Ordinance"; but in all such instances, the written requests of the owners of all properties which will be subject to assessment shall be in recordable form and shall be recorded in the office of the Clerk of the County Court of the County wherein the respective properties may be situated, and said Clerk is authorized to record such instruments as in the case of mortgages, and may charge and receive fees therefor as in the case of mortgages. Each ordinance by which an improvement is undertaken according to this section shall contain a recitation of the receiving of written requests and waivers from the owners of all properties which will be subject to assessment for each such improvement. In such instances the lien for which provision is made in KRS 107.160 shall attach upon publication of the ordinance (equivalent to the "Third Ordinance") which authorizes issuance of the improvement assessment bonds.

Section 5.

KRS 107.140 is amended and re-enacted to read:

107.140 Benefited property; what constitutes, action against county.

(1) (a) In the case of improvements of public ways, the benefited property shall consist of all real property abutting upon both sides of the improvement project, and the cost of improving intersections shall be included in the total costs to be assessed and apportioned, unless and to the extent the city shall appropriate, within constitutional limitations, from available funds, definite and specified sum as a contribution thereto, or a proportion of the aggregate cost, or the cost of specified portions of the improvement; provided, however, that if provisions shall be made for sidewalk improvements upon only one side of the project, the costs of the sidewalk improvements shall be ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assessment shall include a fair share of the over-all costs, as herein defined, other than the amounts of the actual construction contracts.

(b) In the case of improvements for draining sewage, storm water, or a combination thereof, the benefited properties shall consist of all properties which are thereby afforded a means of drainage, including not only the properties which may be contiguous to the improvements, but also adjacent properties within a reasonable distance therefrom as the governing body may in the proceedings set forth.

(c) In the case of an improvement project consisting in whole or in part of a sewage treatment plant, or enlargement or substantial reconstruction of an existing sewage treatment plant, the benefited properties shall be all those properties the sewage from which is treated in such plant, including properties already provided with sewer drainage facilities as well as those properties which the improvement project will provide with such drainage facilities, but the governing body may classify properties according to the extent of benefits to be afforded to them, and may establish one rate of assessment applicable to all properties participating in the benefits of the sewage treatment installations, and an additional rate of assessment applicable to properties for which the improvement project will also provide sewer drainage facilities.

(d) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare, that properties other than the properties originally benefited by an improvement under subsections (b) or (c) of this section, be permitted to connect to such sewer drainage and/or treatment facilities, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties, may, by paying charges for the privilege of connecting, and/or by assuming a share of improvement assessments, or otherwise, be placed as nearly as practicable on a basis of financial equity with the owners of properties initially provided to be assessed.

(2) Benefited property owned by the city, county or state, or owned by the United States Government or any of its agencies, if such property is subject to assessment by Act of Congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, state, or United States Government, as the case may be. The same right of action shall lie against the county as against a private owner. In the case of the state, the amount of the annual assessment shall be certified by the city treasurer to the Department of Finance, which shall thereupon draw a warrant upon the State Treasurer, payable to the city treasurer, for the amount thereof, and the State Treasurer shall pay the same out of any money in the State Treasury not otherwise appropriated. For the purpose of this chapter, all public school property shall be deemed to be property owned by the State as provided by KRS 162.010.

(3) No benefited property shall be exempt from assessment.

Section 6.

KRS 107.190 is amended and re-enacted to read:

107.190 Action by city where ordinances and proceedings encompass less than all the undertakings contemplated by KRS 107.020; where all are encompassed and city undertakes additional improvements. If the ordinances and proceedings authorized by this chapter shall encompass and include less than all of the undertakings authorized and contemplated by the definitions set forth in KRS 107.020, (i.e., a street improvement project with or without sidewalk, curb, gutter, and/or storm or surface water sewers or drains or sanitary sewers, or sewage treatment facilities), the city shall not be precluded from ordaining and requiring the omitted matters and structures to be constructed at the expense of the benefited properties at any time in the future, in accordance with the provisions of this chapter, or in accordance with any other applicable laws. If the improvement project shall encompass all of the elements included in the definition of "Improvement" or "Project" as set forth in this chapter, the city shall not thereafter undertake any project for any part of the improvements as herein defined except, (a) at the exclusive cost of the city, or (b) at the cost of the benefited properties from and after fifteen years after completion and acceptance of the project, or (c) from the proceeds of revenue bonds payable from service charges.

Section 7. Declaration of Emergency.

It is hereby found and declared that numerous municipalities are in critical need of sewer facilities and sewage treatment plants which they are having difficulty in financing under existing statutory authority, and it is necessary and desirable in the interest of the public health, safety and general welfare, that the authority of this Act be made available to them during the entire period of favorable construction weather in 1960; accordingly an emergency is declared to exist and this Act shall take effect upon approval by the Governor.

Senator Kinkead moved the Previous Question on **SB 256**, as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Brand, Bonn, C. H. Davis, Derickson, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 3—Byers, Johnson, Miller. **SB 256** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **SB 256** was passed be reconsidered and said motion be laid on the table. Agreed.

SR 7 by Way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Committee Substitute is as follows:

Committee Substitute for **SR 7**, A JOINT RESOLUTION relating to the medical school at the University of Kentucky.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the University of Kentucky medical school be named and known as the "University of Kentucky College of Medicine."

Senator Logan moved that the Committee Substitute to **SR 7** be adopted.

Senator Bassett arose to a point of order stating that the subject matter in Committee Substitute to **SR 7** had been previously acted upon and could not be considered at this time.

Senator Overbey moved, seconded by Senator Logan, that Senator Logan's motion to adopt Committee Substitute to **SR 7** be tabled. Agreed.

Recess

Senator Ware moved that the Senate do now recess for thirty minutes. Agreed. At the appointed hour the President called the Senate to order.

Senator Ware moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Ware moved that when we adjourn today we adjourn to meet again at ten a. m., March 15. Agreed.

Senator Ware moved suspension of the Rules for the purpose of making Committee Report. Agreed.

Report of Rules Committee

Rules Committee reported **HB 434, HB 422, HB 429, HB 466, HB 449, SB 282, HB 282, SB 284, SB 249, HB 495, HB 502, HB 401** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 434, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 44.055 of the Kentucky Revised Statutes is hereby amended to read as follows:

Section 1. (1) Any state agency, as defined in KRS Chapter 12, may in its discretion, for the protection of the public and its employes, expend state funds to purchase policies of insurance of all kinds deemed advisable covering vehicles owned by the state and operated by state employes when in the conduct of official business. The Commissioner of Insurance, upon recommendation of the Commissioner of Finance, shall initiate and be responsible for the purchase of a blanket liability insurance policy to cover the officers and employes of the several state agencies and shall determine, by regulation, the policy limits that shall be applicable to the persons covered in each such affected agency not to exceed the limit prescribed in KRS 44.070.

(2) Nothing contained herein shall be construed to be a waiver of

sovereign immunity and claims against the Commonwealth, its agencies, officers, employes, or insurers may be asserted only in the manner set forth in KRS 44.070 to 44.160.

(3) Policies authorized by this section shall be purchased only from insurers authorized to do business in this state and shall be countersigned by a licensed resident agent.

HB 422, AN ACT relating to County Treasurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 68.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county treasurer shall receive and receipt for all money due the county from its collecting officers or from any other person whose duty it is to pay money into the county treasury, and shall hold such money subject to the order of the fiscal court. He shall not disburse any money received by him for any purpose other than that for which it was collected and paid over to him, and when he pays out money he shall take a receipt therefor.

(2) He may, and when directed by the fiscal court shall, institute actions in the name of the county against all delinquent sheriffs or collectors of the county, and against any one having money belonging to the county who fails or refuses to pay it over on demand when due. He shall keep a record of all actions he is directed to institute on behalf of the county, showing their condition and the money collected thereunder.

(3) He shall keep an accurate detailed account of all money received and disbursed by him for the county, and shall keep books of accounts of the financial transactions of the county in the manner required by any uniform system of accounting prescribed by the Department of Revenue.

(4) He shall keep his office at the county seat, in a room or rooms provided by the fiscal court. He shall keep his office open for the collection of money at all reasonable times, except on Sundays and legal holidays.

(5) The county treasurer shall, when required by the fiscal court, settle his accounts as county treasurer, and within thirty days after the close of each fiscal year, he shall make a full and complete settlement for the preceding fiscal year with the fiscal court or with a person or persons whom the fiscal court, by order of record, appoints to make settlement with him. In case of a vacancy, the county judge shall call a special term which shall proceed in the manner it deems proper to settle the accounts of the county treasurer.

HB 429, AN ACT relating to aeronautics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Chapter 183 of the Kentucky Revised Statutes is repealed and re-enacted to read as follows:

Section 2. As used in this chapter unless the context otherwise requires:

(1) "Federal Aviation Agency" shall mean that agency or board of the United States government empowered to regulate operation of aircraft; aviation facilities and persons operating and maintaining aircraft.

(2) "Commissioner" means the Commissioner of the Department of Aeronautics;

(3) "Department" means the Department of Aeronautics, the statutory administrative department of the Commonwealth of Kentucky.

Section 3. (1) "Aeronautics" means the science and art of flight and including, but not limited to transportation by aircraft; the operation, construction, repair or maintenance of aircraft, aircraft power plants and accessories, including the repair, packing, and maintenance of parachutes; the design, establishment, construction, extension, operation, improvement, repair or maintenance of airports or other air navigation facilities; and instruction in flying or ground subjects pertaining thereto;

(2) "Aircraft" means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air;

(3) "Air navigation" means the operation or navigation of aircraft in the air space over this state, or upon any airport within this state;

(4) "Air navigation facility" means any facility other than one owned or controlled by the United States, used in, available for use in, or designed for use in, aid of air navigation, including airports and any structures, mechanisms, lights, beacons, markers, communicating systems, or other instruments or devices used or useful as an aid, or constituting an advantage or convenience, to the safe taking off, navigation, and landing of aircraft, or the safe and efficient operation or maintenance of and airport, and any combination of any or all of such facilities;

(5) "Airport" means any area, of land or water, which is designed for the landing and take-off of aircraft, whether or not facilities are provided for the shelter, servicing or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport building or other airport facilities, and all appurtenant rights of way, whether theretofore or hereinafter established;

(6) "Airport board" or "board" means a board established as provided in this chapter;

(7) "Airport facilities" includes land, buildings, equipment, runways and other improvements and appurtenances necessary or proper for the establishment and maintenance of airports;

(8) "Airport hazard" means any structure, object or natural growth, or use of land, which obstructs the air space required for the flight of aircraft in landing or taking off at any airport or is otherwise hazardous to such landing or taking off;

(9) "Approach zone" means that area extending from the end of an airport runway in an inclined plane and increasing in elevation at a given ratio of horizontal to vertical feet, and which area may be more particularly identified and described by reference to the Technical Standard Orders of the Federal Aviation Agency.

(10) "Certificate" means a certificate issued by the department;

(11) "Civil aircraft" means any aircraft other than a public aircraft;

(12) "Charter operator" means all persons who transport or seek to transport persons or property in intrastate commerce for hire on unscheduled service and not between fixed points;

(13) "Common carrier" shall include all carriers for hire or compensation by air who operate, or seek to operate over fixed routes or between fixed termini within the Commonwealth of Kentucky;

(14) "Development" and "airport development" mean:

(a) Any work involved in planning, designing, constructing, improving or repairing a public airport or portion thereof, including the construction, alteration and repair of airport buildings and the removal, lowering, relocation and marking and lighting of airport hazards; and

(b) Any acquisition of land, or any interest therein, or of any easement through or other interest in air space which is necessary to permit any such work or to remove, mitigate, prevent or limit the establishment of airport hazards and expenses incident to the carrying out the provisions of this chapter;

(15) "Navigable air space" means air space above the minimum altitudes of flight prescribed by the regulations of the Federal Aviation Agency or department consistent therewith, and includes the air space necessary for normal landing or take off of aircraft;

(16) "Operation of aircraft" or "operate aircraft" means the use, navigation or piloting of aircraft in the airspace over this state or upon any airport within this state. Any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control as owner, lessee, or otherwise of the aircraft, shall be deemed to be engaged in the operation of aircraft within the meaning of the statutes of this state;

(17) "Overhead line" means any cable, pipeline, wire or similar substance of any kind or description;

(18) "Permit" means a permit issued by the department;

(19) "Public aircraft" means an aircraft used exclusively in the service of any government or of any political subdivision thereof, including the government of the state, territory or possession of the United States, or the District of Columbia, but not including any government-owned aircraft engaged in carrying persons or property for commercial purposes;

(20) "Public airport" means any airport which is used or to be used for public purposes under the control of a public agency, the landing area of which is publicly owned;

(21) "Public use airport" means any airport in the state airport plan open for use by the general public, not including a private airport used primarily for the benefit of the owner;

(22) "State airport plan" means the plan of the department for the development of public and certain private airports for the benefit of the people of this state;

(23) "State airway" means a route in the navigable airspace over the lands or waters of this state, designated by the department as a route suitable for air navigation;

(24) "Structure" means any object constructed or installed by man, including, but not limited to, buildings, towers, smokestacks, and overhead transmission lines;

(25) "Tree" includes object of natural growth.

Section 4. (1) "City" means any incorporated city.

(2) "Governmental unit" means any city, or the combination of any two or more thereof, or any county, or combination of two or more such counties, city or cities, acting jointly with any county or counties;

(3) "Ordinance," in the case of a county, means resolution of the county legislative body;

(4) "State" or "this state" means the Commonwealth of Kentucky;

(5) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

Section 5. There hereby is created and established the Department of Aeronautics, which shall constitute a statutory administrative department of the State Government within the meaning of KRS Chapter 12, and which department shall exercise all of the administrative functions of the Commonwealth in relation to aeronautics, including aircraft, air transportation, airports, air navigation, and all matters related to said functions. The Department of Aeronautics shall be headed by the Commissioner of Aeronautics, who shall be the executive officer and have sole charge of the administration of the department and the performance of all functions of the department. No person shall be appointed as commissioner unless at the time of his appointment he holds a valid commercial license, or its equivalent, issued by the Federal Aviation Agency for the piloting of aircraft, and unless he shall have had at least five years' experience in aeronautics.

Section 6. The Commissioner of Aeronautics, with the advice and approval of the Governor, may appoint an Advisory Board of Aeronautics to advise with the commissioner in carrying out the functions of the department. Such board, if appointed, shall consist of not less than three nor more than nine members, who shall serve for such terms, not exceeding four years, as may be fixed by the commissioner, and who shall be removable at the will of the commissioner. The Commissioner shall serve as chairman of the board, and the board shall meet at the call of the chairman. The members of the board shall be allowed their necessary expenses attendant upon their duties.

Section 7. The Department of Aeronautics may prescribe such rules and regulations, not inconsistent with law, and may do all things reasonable or necessary to carry out the provisions of this chapter and other statutes relating or incidental to the field of Aeronautics. The department may acquire aircraft by purchase, lease, or otherwise, necessary for the performance of the functions of the department and state government.

Section 8. (1) Process and proceedings under this chapter shall be as summary and simple as possible. The department, or any employe thereof, for the purpose of this chapter, may subpoena witnesses; administer or cause to have administered oaths; and examine, or cause to have examined, parties and such parts of the books and records of the parties to a proceeding as relate to the question under consideration.

(2) The sheriff shall serve all subpoenas of the department and shall receive from the department the same fee as provided by law for like service in civil actions.

(3) Each witness who appears in obedience to such subpoena shall receive for attendance the fees and mileage for witnesses in civil cases in the circuit court to be paid by the party at whose request the witness was subpoenaed.

(4) The circuit court shall, on application of the department or any officer thereof, enforce by proper proceedings the attendance and testimony of witnesses and the production and examination of books, papers, and records.

Section 9. No person shall operate an aircraft within the state unless he and it are licensed and registered by the Federal Aviation Agency.

Section 10. The department may require that all aircraft operating from any airport, or other landing facility, within this state, shall be licensed with the department. It may further require that all pilots operating aircraft from any airport or other landing facility within this state shall be registered with the department. Provisions and fees for licensing of aircraft and registration of pilots shall be by regulations established by the department.

Section 11. The department may promulgate air traffic rules applicable to the operation of aircraft within the state, but the rules shall be in conformity with the air traffic rules adopted by the Federal Aviation Agency as nearly as possible. The department may also promulgate such other rules, not in conflict with the Federal Aviation Agency regulations necessary for safe, adequate and convenient operation of airports, air navigation, air transportation and all matters relating to said functions.

Section 12. (1) The department shall cause all airport facilities in the state to be inspected to determine the safety and adequacy of such facilities. No person shall operate any aircraft from an airport declared unfit by the department.

(2) In determining whether it shall issue a certificate of approval or license for the use or operation of any airport, the department shall take into consideration its location, size, layout, safety of operations, the relationship of the airport to a comprehensive plan for state-wide and nation-wide development, whether the adjoining area is free from obstructions based on a proper glide ratio, the nature of the terrain, the nature of the uses to which the airport will be put, and the possibilities for future development.

(3) The department is empowered to temporarily or permanently revoke any certificate of approval or license issued by it when it shall determine that an airport or other navigation facility is not being maintained or used in accordance with the provisions of this chapter and the rules and regulations promulgated pursuant thereto.

Section 13. No person shall operate any aircraft within the state in any form of navigation whatsoever in violation of the air traffic rules promulgated by the department or the Federal Aviation Agency. For enforcement purposes department personnel shall have access at all reasonable times to appropriate books, records and logs of any person operating aircraft in the state.

Section 14. (1) The commissioner and officers and employes of the department designated by order of the commissioner shall be peace officers and may arrest any person found violating any provision of this chapter or any civil air regulation promulgated by the Federal Aviation Agency.

(2) The commissioner, in his discretion, may commisison any official or employee of an airport board or governmental unit as law enforcement officers and such persons so commissioned shall have all of the powers of peace officers in respect to the enforcement of this chapter or any civil air regulation promulgated by the Federal Aviation Agency and rules and regulations promulgated by airport boards or governmental units.

Section 15. (1) The department may acquire or dispose by contract, purchase, lease, donation, condemnation or otherwise, airports, buildings, runways, grounds and other facilities suitable for airport purposes and the proper safeguards to flying where such acquisition or disposal shall be in the public interest.

(2) The department may make additions and improvements to such airports, or facilities and either alone or with the cooperation of others provide personnel, heat, light, water, fuel, telephone service, drainage, runways, fueling facilities, radio and navigation facilities, and other costs of operation and maintenance, including insurance, and may bear the expense of removal or change of obstructions that menace air travel.

(3) The department may enter into contracts of lease for land or facilities to which title is vested in the Commonwealth with any city, or cities, county, or counties, governmental unit, political subdivision, airboard or person for the furtherance of the purposes of this chapter. All rents or revenues derived from such contracts of lease shall become the property of the department to be expended by it in carrying out the purposes of this chapter.

(4) The department may give such advice and assistance, including financial aid, engineering and technical assistance within the limits of its resources as it deems advisable, to enable any governmental unit or board to acquire, construct, expand, maintain and operate airports or otherwise assist in the development of aeronautics within their limits. Such aid may include the exercise of the department's power of eminent domain, if such usage is requested by the governmental unit or board. Where such eminent domain powers are utilizied title to acquire property may vest in the governmental unit.

Section 16. (1) The department may designate, design, establish, expand, or modify a state airways system which will best serve the interests of the state. It may chart such airways systems and arrange for publication and distribution of such maps, charts, notices and bulletins relating to such airways as may be required in the public interest. The system shall be supplementary to and coordinated in design and operation with the federal airways system. It may include all types of air navigation facilities, whether publicly or privately owned, provided that such facilities conform to federal safety standards.

(2) It may participate as party plaintiff or defendant, or as intervener on behalf of the state, or on behalf of any air board or governmental unit or other person in any controversy involving any right of the state or others pertaining to aeronautics.

(3) To enforce the provisions of this chapter the department may in addition to all other remedies institute and prosecute injunctive proceedings without the execution of a bond.

(4) The Franklin Circuit Court shall hold concurrent venue with the courts of this Commonwealth of all civil and injunctive actions instituted by the department for the enforcement of this chapter and the orders, rules and regulations of the department thereunder.

Section 17. (1) Where necessary, in order to provide unobstructed air space for the landing and taking off of aircraft utilizing airports acquired or operated under the provisions of this chapter, the department is hereby granted authority to condemn and acquire, in the same manner as is provided for the acquisition of property for airport purposes, easements through or other interests in air space over land or water, interests in airport hazards outside the boundaries of the airports and such other airport protection privileges, together with rights of ingress and egress thereto and therefrom, as are necessary to insure safe approaches to the landing areas of said airports and the safe and efficient operation thereof. The department is authorized to acquire, in the same manner, the right or easement, for a term of years or perpetually, to place or maintain suitable marks for the daytime marking and suitable lights or marks for the night marking of airport hazards, including the right of ingress and egress to and from such airport hazards for the purpose of maintaining and repairing such lights and marks.

(2) The commissioner may, by order, authorize any airport board or governmental unit to condemn and acquire, with the full power of the Commonwealth, in the same manner as is provided for the acquisition of property for airport purposes by such board, or governmental unit, any of the interests, easements, airport protection privileges, interests in air space, rights, or hazard marking privileges described in subsection (1), or any real or personal property. Any condemnation proceeding which may be necessary for such acquisition, if filed under this subsection, shall be filed in the name of the Commonwealth on relation of the Commissioner of Aeronautics, and of the airport board or governmental unit making such acquisition.

(3) The authority granted in subsections (1) and (2) shall not be so construed as to limit the right, power, or authority of the state or any municipality or governmental unit to zone property adjacent to any airport pursuant to any law of this state.

Section 18. The acquisition of any lands for the purpose of establishing airports or other air navigation facilities; the acquisition of any airport protection priviliges; the acquisition, establishment, construction, enlargement, improvement, maintenance, equipping, and operation of airports and other air navigation facilities, whether by the state separately or jointly with any governmental unit thereof or air board; the assistance of the state in any such acquisition, establishment, construction, enlargement, improvement, maintenance, equipping and operation; and the exercise of any other powers of the department as set out in this chapter, including the zoning of land in and around air facilities, are hereby declared to be public and governmental functions exercised for a public purpose, and matters of public necessity, and such lands and other property and privileges acquired, zoned and used in the manner and for the purposes enumerated in this chapter shall and are hereby declared to be acquired, zoned and used for public and governmental purposes and as a matter of public necessity.

Section 19. (1) The department is the proper agency of the state to accept and receive financial or other aid from the United States Government for the acquisition, construction, maintenance and operation of airports, air markings and other air navigational aids or otherwise in carrying out the promotion of aviation, whether the work is to be done by the state or at the expense of cities or governmental units aided by grants or aids from the United States.

(2) When acquisition or construction of airports or other facilities is made at the joint expense of the department, board or governmental units and the United States Government, the department shall, on behalf of such board or governmental unit, accept and receipt for any money paid over by the United States Government and forthwith pay such money over to the board of governmental unit under the terms and conditions imposed by the United States Government in making the grants.

Section 20. All counties in this state located on the boundary line between this state and any other state, or which are contiguous to such counties, as well as all governmental units which are located in such boundary counties, or contiguous counties, are hereby authorized, separately, jointly with each other or jointly with any other municipality or political subdivision of any such boundary state to acquire, equip, construct, expand, lease, improve, police and operate airports within this state or either within or without the geographical limits of any county, municipality or political subdivision of any such boundary state.

Section 21. The acquisition of any lands for the purpose of establishing ariports or other air navigation facilities; the acquisition of airport protection privileges; the acquisition, establishment, construction, enlargement, improvement, maintenance, equipping and operation of airports and other air navigation facilities, and the exercise of any other powers granted to air boards or municipalities in this chapter, are hereby declared to be public, governmental and municipal functions, exercised for a public purpose, and matters of public necessity, and such lands and other property, easements and privileges acquired and used by such air boards or municipalities in the mannner and for the purposes enumerated in this chapter shall and are hereby declared to be acquired and used for public, governmental and municipal purposes and as a matter of public necessity.

Section 22. The department, with the consent of the owner of a private airport, may, by resolution, reciting that any lands or property adjoining an airport are needed for purposes of establishing or expanding the airport and related facilities, direct the condemnation of such property. Whereupon, condemnation proceedings shall be conducted in the name of the department at the expense of the person owning or operating said airport, and the procedure for condemnation shall conform to the procedure set out in KRS 416.120. The department shall have no liability for the results of such proceedings, and all costs, damages and compensation awarded shall be paid by the owners or operatiors of such airport. Title shall vest in the person owning the airport. Such airport shall be a public use airport.

Section 23. (1) Any airport operator within the jurisdiction of the department shall have the right to extend and improve any runway of such airport, over and across any county road, or passway not heretofore designated by the Kentucky State Highway Department as a part of the primary road system of the Commonwealth, in such manner as to not unreasonably obstruct by such construction, the passage of vehicles on such road or passway. In the event any such runway is so extended or constructed, the public using such road shall be entitled to the same protection in the use of said road as in cases where public roads cross railroads; the operator of said airport at its expense shall restore to its former condition, as nearly as may be, any such road across which it has constructed its runway, to the full width of said runway, and at least one hundred feet on each side thereof.

(2) An automatic signal by bell or whistle upon such road, or passway, installed at least fifty rods from the said runway, which device shall ring or sound continuously or alternately, while any aircraft is using any part of said runway, shall be provided by the operator of the airport, and at his expense. The operator of the airport shall cause signal boards to be placed and constantly maintained on any such road or passway one hundred feet from the place where the runway crosses any such road, which boards shall be substantially supported, and shall be placed so as to be seen easily by travelers, and not to obstruct travel, and shall bear on each side in capital letters at least five inches high, the words, "DANGER, AIRPORT CROSSING, STOP, LOOK AND LISTEN FOR AIRCRAFT"; provided, however, that nothing herein shall allow the construction of any runway over any hard-surfaced or

improved highway, nor any road constituting a part of the primary road system of the state.

Section 24. It is hereby declared to be the purposes and policy of the legislature in enacting Section 24 through Section 31 to confer upon the department the power and authority and to make it a duty to supervise and regulate the transportation of persons and property for hire by aircraft operating in intrastate commerce between termini located within the Commonwealth of Kentucky.

Section 25. (1) Any person seeking to engage in the operation of a common carrier in intrastate commerce of persons or property by aircraft, shall first obtain a certificate of public convenience and necessity from the department in accordance with the provisions of this section and Section 24 through Section 30. All certificates issued to common carriers shall automatically grant to such common carriers the right to conduct charter operations that originate at a point on said carrier's route to any other point in the state, and return. Any such certificate shall be null and void unless the person to whom the certificate is granted, shall in good faith, begin and continue to operate under the terms of the certificate.

(2) If it appears from the application that the applicant is a holder of a certificate of public convenience and necessity issued by the Civil Aeronautics Board and that the applicant is operating between two or more points in this state pursuant to such certificate, the department shall forthwith issue to the applicant an intrastate certificate of public convenience and necessity authorizing the applicant to engage in transportation by air of persons and property between all of the points in this state between which the applicant is authorized to operate by the terms of its interstate or federal certificate.

(3) Any person engaged or seeking to engage in the air transportation of persons or property in intrastate commerce for hire on an unscheduled basis and not between fixed points shall first obtain a charter permit from the department. Upon filing of an application for a charter permit the department shall cause notice of such filing to be given by mail not less than thirty days before granting such application, addressed to all air common carriers and all holders of charter permits and applicants therefor whose operations or proposed operations would be affected by the granting of the permit and upon any other person deemed by the department to have an interest in such application.

(4) If no objection to the granting of such permit is filed with the department within thirty days after the mailing of the notice, the department may proceed informally, in accordance with such rules and regulations as it may adopt, and grant or deny such application in whole or in part and upon such terms and conditions as the public interest may require.

(5) If objection is filed and a hearing requested by an interested party, the department shall set the application down for hearing and disposition in accordance with the procedure set forth in Section 27, 28 and 31.

Section 26. All applications for an intrastate certificate of public convenience and necessity shall be in the form prescribed by the department and shall contain such information as the department may require. Such applications shall be accompanied by a filing fee of twenty-five dollars, proof of insurance and all other things required by law and regulations of the department. The department is empowered to levy reasonable charges for the use of state air routes and airways in compensation for expenses incurred by the department in administering the provisions of Section 24 through Section 31, not to exceed, however, two percent of the gross receipts from intrastate business of the carrier, and the annual total of such charges shall not exceed twenty-five thousand dollars.

Section 27. When an application for an intrastate common carrier certificate of public convenience and necessity has been filed, the department shall fix a time and place for hearing thereon and shall cause notice of the filing of such application and of the hearing thereon to be given by mail not less than thirty days, exclusive of the date of mailing, before such hearing, addressed to all holders of intrastate certificates and interstate certificates issued by the Civil Aeronautics Board as well as intrastate certificate applicants therefor whose operations or proposed operations would be affected by the grant of the proposed certificate, and upon any other person deemed by the department to have an interest in such proceeding. Notice shall also be given to the mayors of all cities on the requested route. All interested persons shall have the right to intervene and to participate in all proceedings either in person or by attorney.

Section 28. (1) The department is hereby vested with the power and authority and it is hereby made its duty upon the filing of an application for a certificate of public convenience and necessity to hear and determine under such rules and regulations as it may promulgate whether the public convenience and necessity require such proposed service.

(2) The department shall issue a certificate authorizing the whole or any part of the transportation requested by the application if it finds the applicant is fit, willing and able to perform such transportation properly and to conform to applicable provisions of this chapter and the rules, regulations and requirements of the department hereunder, and that such transportation is required by the public convenience and necessity; otherwise such application shall be denied.

(3) The department may also issue a certificate to engage in temporary air transportation for such limited periods as may be re-

quired by the public convenience and necessity if it finds after notice and hearing that the applicant is fit, willing and able to perform such transportation and to conform to the provisions of this chapter and the rules, regulations and requirements of the department hereunder.

(4) Each certificate issued hereunder shall specify the terminal and intermediate points between which the carrier is authorized to provide air transportation and the service to be rendered, and the department may impose such reasonable terms, conditions and limitations as the public interest may require.

(5) Each certificate shall be effective from the date specified therein and shall continue in effect until suspended, surrendered or revoked as hereinafter provided, or until the department shall certify that operation thereunder has ceased. If issued for a limited or temporary period of time the certificate shall continue in effect until the expiration thereof.

(6) The department, upon petition or complaint, or upon its own initiative, after notice and hearing, may alter, amend, modify or suspend any such certificate in whole or in part if the public convenience and necessity so require, or may revoke any such certificate in whole or in part for failure to comply with any provision of this chapter or any order, rule or regulation issued hereunder or any term, condition or limitation of such certificate.

(7) No certificate may be transferred except upon proper application and hearing and approval by the department as being consistent with the public interest.

(8) No air carrier shall abandon any route or part thereof for which a certificate has been issued by the department unless, upon application of such carrier, after notice and hearing, the department shall find such abandonment to be in the public interest. Any interested person may intervene and be heard in opposition or support of such abandonment. The department may by order, regulation or otherwise authorize such temporary suspension of service as may be in the public interest.

(9) No certificate shall confer any property, proprietary or exclusive right in the use of any airspace, airport, state airway or other air navigation facility.

(10) No certificate shall be required for the transportation of United States mail unless passengers or freight are also transported.

(11) The jurisdiction of the department shall extend only to common carriers engaged in, or who seek to engage in, intrastate commerce. Orders of the department shall be served upon all parties to said proceedings and shall become effective as determined by the department. Any party to such hearing may, upon proper petition, be granted a rehearing if such petition is filed within thirty days after the

issuance of the order. Upon granting of any rehearing the department may suspend prior orders until the petition for rehearing is determined.

Section 29. All common carriers subject to Section 24 through Section 31 shall before engaging in business file with the department and keep open to public inspection at its offices and stations schedules showing all rates, fares and charges for transportation of passengers, or property between different points on its route or routes, and also between points on its own route and on the routes of other common carriers when a through route and joint rate have been established. No intrastate common carrier shall accept or receive any person or property for transportation until the requirements of Section 24 through Section 31 have been complied with and no such carrier shall charge, demand, collect, or receive a greater or less or different remuneration for such transportation, or for any service in connection therewith than the rates, fares and charges which have been legally established and filed with the department; nor shall any such carrier refund or remit in any manner or by any device, any portion of the rates, fares and charges so established when service is rendered in accordance with published tariffs. The department is vested with the power and authority to supervise, regulate and fix, alter and determine just, fair, reasonable and sufficient rates, fares, and charges and classifications. No order of the department affecting rates, fares and charges shall issue except after notice and hearing on the same and any interested party may appear and take part in any such proceedings either in person or by attorney.

Section 30. (1) The department is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or specific rules, regulations and procedures pursuant to and consistent with the provisions of this chapter as it shall deem necesary to carry out such provisions and to exercise and perform its powers and duties under this chapter.

(2) The department is empowered to confer with or to hold joint hearings with any other state or federal agency in connection with any matter arising under this chapter, and to avail itself of the cooperation, services, records and facilities of such agencies, state or federal, as fully as may be practicable in the administration and enforcement of this chapter.

(3) No certificate or charter permit shall be issued until there has been filed with the department a good and sufficient idemnity bond or insurance policy issued by some surety or insurance company or other insurance carrier duly authorized to transact business as such within this state, which shall provide such terms, conditions and provisions and in such penal sums in such a maximum amount, if any, as the department may deem necessary for the reasonable protection of the patrons and of the public in the collection of damages for which

the carrier may be liable by reason of the operation under such certificate.

Section 31. (1) The applicant or the holder of any certificate shall have the right of an appeal from any action of the department by filing within forty days after the rendition of the order of the department a petition of appeal with the clerk of the Franklin Circuit Court. Such petition shall state completely the grounds upon which the review is sought, and shall assign all errors relied on and shall be accompanied by a copy of the record certified by the department, or an abstract thereof, if agreed to by all parties to the hearing before said department.

(2) The person appealing shall furnish copies of the petition to each person who is a party to the hearing before such department.

(3) Summons shall be issued upon the petition directing the adverse party or parties to file answer within fifteen days after service thereof.

(4) No new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of Section 24 through Section 31, or affecting the order, ruling or award, but the court shall otherwise hear the case upon the certified record or abstract thereof, and shall dispose of the case in a summary manner, its review being limited to determining whether or not:

(a) The department acted without or in excess of its power;

(b) The order, decree or award was secured by fraud;

(c) The order, decision or award is not in conformity with provisions of Section 24 through Section 31.

(d) The finding of facts in issue is not supported by any substantial evidence.

(5) The department and each party shall have the right to appear in such review proceedings. The court shall enter judgment confirming, modifying or setting aside the order, decision or award, or in its discretion remanding the case to the department for proceedings in conformity with direction of the court.

(6) The court may advance a judgment, and upon a sufficient showing of facts, remand the cause to the department.

(7) Any party may appeal from the decision of the circuit court to the Court of Appeals of Kentucky. Such appeals from the order of the department or to the Court of Appeals shall have precedence over other cases pending.

Section 32. (1) Any city or county, or city and county acting jointly, or any combination of two or more cities and/or counties may establish a non-partisan airboard composed of six members.

(2) The board shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with and do all things reasonable or necessary to effectively carry out the duties prescribed by statute.

(3) The members of an airboard shall be appointed as follows:

(a) If the airboard is established by a city, such members shall be appointed by the Mayor of the city.

(b) If the airboard is established by a county, such members shall be appointed by the county judge.

(c) If the airboard is established as a joint city-county airboard, three members shall be appointed by the mayor and three members by the county judge.

(d) If a combination of cities and/or counties establishes a joint airboard, the mayors and/or county judges involved shall jointly choose six members, and shall jointly choose successors.

(4) Members of the board shall serve for a term of four years each, and until their successors are appointed and qualified, provided, however, that initial appointments shall be made so that two members are appointed for two years, two members for three years and two members for four years. Upon expiration of these staggered terms, successors shall be appointed for a term of four years.

(5) Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of the affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. The board shall choose a chairman and vice-chairman who shall serve for terms of one year. The board shall also choose a secretary-treasurer who may or may not be a member of the board. The board may fix a salary for the secretary-treasurer and the secretary-treasurer shall execute an official bond to be set and approved by the board and the cost thereof shall be paid by the board.

(6) The board may employ necessary counsel, agents and employes to carry out its work and functions, and prescribe such rules and regulations as it deems necessary.

(7) The secretary-treasurer shall keep the minutes of all meetings of the board and shall also keep a set of books showing the receipts and expenditures of the board. He shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions and the financial condition of the board. Such books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the board was created. He shall transmit at least once annually, a detailed report of all acts and doings of the board to the legislative body or bodies by whom the board was created.

(8) In the event that a joint airboard is created by cities and/or counties, and thereafter a city or cities or county or counties desire to withdraw from participation, then the remaining participants may jointly choose a successor member or members of the board. No such withdrawing city or cities, county or counties shall be entitled to return of any moneys or property advanced such board.

(9) A quorum for the transacting of the business of the board shall consist of four members. Meetings of the board may be called by the chairman or by four members. In case of tie voting by the board, the issue shall be deemed to have failed passage.

(10) A board member may be replaced by the appointing authority upon a showing to such authority of misconduct as a board member or upon conviction of a felony. No board member shall hold any official office with the appointing authority.

Section 33. (1) The purpose of the board shall be to establish, maintain, operate and expand necessary airport and air navigation facilities. It shall have the duty and such powers as may be necessary or desirable to promote and develop aviation, including air transportation, airports and air navigation facilities.

(2) The board shall establish and fix reasonable rates, charges and fees for the use of the landing area, ramps and other common aviation facilities. In fixing such rates, charges or fees the board may take into consideration, among other factors, the total capital investment by the board or other local or state governmental authority, the revenue needed properly to maintain such facilities, the revenue needed properly to expand the airport and its facilities, the portion of the facilities utilized by the licensee or contracting party and its customers and the volume and type of business conducted. Any party aggrieved by the rates, charges or fees may appeal from the action of the board to the circuit court of the county within which the board operates, within ninety days from the date that the board finally publishes such rates, charges or fees and gives notice of same to the contracting party or licensee. The circuit court may hear evidence and determine whether or not the rates, charges or fees are, or are not, reasonable in amount. Appeal from the judgment of the circuit court may be prosecuted as any other civil appeal.

The board shall likewise have power, from time to time, to fix rates, charges or fees by contract, or by publishing general rates, charges or fees for commercial vendors, concessionaires or other persons for the use or occupancy ofterminal or other ground use facilities, under such terms or conditions as it may deem to be in the best interest of maintaining, operating or expanding necessary airport or air navigation facilities, and the public use thereof.

(3) The board may acquire by contract, lease, purchase, gift,

condemnation or otherwise any real or personal property, or rights therein, necessary or suitable for establishing, operating or expanding airports and air navigation facilities. The board may erect, equip, operate and maintain on such property, buildings and equipment necessary and proper for airport or air navigation facilities. The board may dispose of any real or personal property, or rights therein, which, in the opinion of the board are no longer needed for operating or expanding the airport or air navigation facilities.

(4) The board or any governmental unit may by resolution reciting that the property is needed for airport or air navigation purposes direct the condemnation of any property, including navigation or other easements. The procedure for condemnation shall conform to the procedures set out in KRS 416.120, or in the alternative, as nearly as practicable to KRS 177.081 to 177.089.

Section 34. In order to provide money for the purchase of property necessary for the establishment or expansion of airports and to construct, equip and maintain buildings necessary or suitable for airport purposes, the legislative body of any governmental unit owning in whole or part any airport or operating an airport, may make an annual appropriation from its general fund; or such governmental unit may make an annual levy to collect a tax on taxable property situated in the governmental unit for such airport development. Any appropriation shall be made by the legislative body in such amounts, in such proportion and upon such terms as the legislative body may determine. All funds derived from such appropriation or tax shall be turned over to the airport board, if any, for the purpose of carrying out the duties and powers of the board.

Section 35. The board may borrow money on its own credit in anticipation of revenue to be derived from taxes, appropriations or other income. For such purposes, the board may pledge the taxes, appropriations or income anticipated. The board may pledge the airport and facilities as security for moneys borrowed.

Section 36. (1) The board is authorized to defray the cost of acquiring any airport facilities through the issuance of revenue bonds in the same manner and under the same conditions as are provided in this chapter for governmental units, and for that purpose the board shall have all the powers and duties that are granted to or imposed upon governmental units and the legislative bodies thereof.

(2) The board may, as an alternative method and in addition to all other methods provided by law, acquire, construct, maintain, add to and improve airports and airport facilities and issue revenue bonds in connection therewith under the terms and provisions of KRS Chapter 58 and under said law the term "governmental agency" means the board and the term "public project" means airports and airport facilities.

Section 37. (1) The board may contract with any person or governmental agency for the use of the airport. Such contract shall not prevent, restrict or hamper the general use of the airport by the public.

(2) All unpledged or surplus revenue derived from use of the airport shall be first applied to the maintenance of the airport. A governmental unit may expend funds for this purpose out of its general funds or any other available funds.

Section 38. The title to all property acquired by the board may vest in the board or in the governmental unit or in the department. All property acquired for the establishment and maintenance of an airport shall be exempt from taxation to the same extent as other property used for public purposes. All fees charged by the board or collected by the board for the admission to or use of the airport or its facilities shall also be exempt from taxation.

Section 39. For the purpose of defraying the cost of acquiring any airport facilities, either by purchase or construction, the department, may, with the approval of the Governor, borrow money and issue negotiable bonds. A governmental unit may borrow money and issue negotiable bonds, for the same purposes, but only after an ordinance or resolution has been adopted by the legislative body specifying the proposed undertaking, the amount of bonds to be issued and the maximum rate of interest the bonds are to bear. The ordinance or resolution shall further provide that the airport facilities are to be acquired pursuant to the provisions of Section 39 to Section 51.

Section 40. Where a city and county or governmental unit are acting jointly, any action contemplated by Section 39 to Section 51 to be taken by the legislative body or bodies of the governmental unit, shall be taken by ordinance of the city legislative body or bodies and parallel or companion resolution of the county legislative body or bodies.

Section 41. The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semiannually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof.

Section 42. Bonds issued pursuant to Section 39 to Section 51 shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the legislative body of the governmental unit or the department of finance deems best. In no event shall any bonds be negotiated on a basis to yield more than six per cent. The bonds shall be payable solely from the revenue derived from airport facilities or taxes levied for airport development and shall not constitute an indebtedness of the governmental unit or the Commonwealth within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of Section 39 to Section 51 and that it does not constitute an indebtedness of the governmental unit or the Commonwealth within the meaning of the Constitution.

Section 43. All money received from the bonds shall be applied solely for the acquisition of the airport facilities, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of the interest on the bonds during the first three years following the date of the bonds.

Section 44. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the airport facilities on behalf of the air board, governmental unit or the Commonwealth with power to charge and collect rates, charges and fees sufficient to provide for the payment of any bonds or obligations outstanding against the airport facilities, and for the payment of operating expenses, and to apply the income and revenue in conformity with Section 39 to Section 51.

Section 45. At or before the issuance of bonds the legislative body of the governmental unit shall, by ordinance or resolution, set aside and pledge the income and revenue of the airport facilities into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance or resolution shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of the airport facilities. The rates and fees to be charged for the services of the airport facilities shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the airport facilities and an adequate depreciation account. The provision of Section 37 (2) that the money derived from the use of the airport shall be first applied to the maintenance of the airport shall not apply in the case of airport facilities for which revenue bonds have been issued under Section 39 to Section 51.

Section 46. If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the airport facilities during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the legislative body of the governmental unit to the depreciation account, to be used for improvements, extensions or additions to the airport facilities.

Section 47. The funds accumulating to the depreciation account shall be expended in balancing depreciation in the airport facilities or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the legislative body of the governmental unit may designate, and if invested the income from such investment shall be carried into the depreciation account.

Section 48. The governmental unit may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by Section 39 to Section 51. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

Section 49. If the legislative body of the governmental unit finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

Section 50. Any governmental unit acquiring any airport facilities pursuant to the provisions of Section 39 to Section 51 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

Section 51. Section 39 to Section 50 shall constitute a method for the acquisition of airport facilities by governmental units or the Commonwealth in addition or as an alternate to any other method authorized by statute. It is intended to authorize the acquisition of additional facilities for an airport acquired under authority of Section 33 as well as the original acquisition of land and other facilities for an airport. Governmental units shall have all authority conferred by Section 33 for the acquisition of airport facilities. Except as otherwise provided in Section 39 to Section 50, the provisions of Section 33 to Section 38 shall apply to the operation of airport facilities acquired under Section 39 through Section 50.

Section 52. There is hereby created and established within the department, a Commission to be known as the "Kentucky Airport Zoning Commission" which, notwithstanding the provisions of Chapter 100 and 147 of the KRS, shall be empowered to issue such orders, rules and regulations pertaining to use of land within and around all publicly owned airports within the state as will promote the public interest and protect and encourage the proper use of such airports and their facilities.

Section 53. (1) Such Commission shall consist of nine members, with one appointed from each congressional district of the state and the Commissioner of Aeronautics who shall be the ex-officio chairman of such Commission. The members of such Commission shall be appointed by the Governor for a term of four years. The members shall serve for a term of four years, and until their successors are appointed, provided however that the first two members appointed shall serve for a term of one year; the next two for two years; the next two for three years; and the final two for four years. Upon the expiration of the first terms, successors shall be appointed for a term of four years.

(2) Each member shall be a resident of the congressional district from which he is appointed and shall be a person experienced in and familiar with the field of aeronautics.

(3) Members of the Commission shall serve without compensation except that they may be reimbursed for travel expenses and other reasonable expenses incident to performance of their duties.

Section 54. The Commission shall be a body politic and corporate with the usual corporate attributes, including, but not limited to the power to sue and be sued, contract and be contracted with and to do all things reasonable or necessary to effectively carry out the duties prescribed. It shall meet on the call of the chairman or four or more members. A quorum shall consist of four members.

Section 55. The Franklin Circuit Court shall hold concurrent venue with the courts of this Commonwealth in all civil and injunctive actions instituted by the Commission for the enforcement of applicable statutes, rules, regulations and orders issued.

Section 56. All of the powers, provisions and duties relating to the zoning and use of land, structures and air space within and around public airports within the state are hereby conferred upon, delegated to and vested in the Commission. The Commission shall also exercise all powers, provisions and duties relating to the use of navigable air space within the state.

Section 57. It is hereby found and declared that an airport hazard endangers the lives and property of users of the airport and of occupants of land in the vicinity, and in effect reduces the size of the area available for landing, taking off and maneuvering of air craft, thus tending to destroy or impair the utility of the airport and the public investment therein, and therefore such hazards are not in the interest of the public health, public safety or general welfare. It is further found that any obstructions to the use of navigable air space destroy and impair the safe use of such air space thereby endangering aircraft and are not in the interest of the public health, public safety or general welfare.

Section 58. (1) The Commission shall require that every public airport in the state file with it, from time to time, as required, maps showing the airport and area surrounding such airport used for approach or landing purposes. The Commission shall thereafter designate on such maps, by reference to the Technical Standard Orders of the Federal Aviation Agency concerning the area required for the safe maneuvering, approach and landing of aircraft, the area over which jurisdiction will be assumed for zoning purposes. The Commission shall notify any local zoning bodies of the area so designated and shall exercise exclusive jurisdiction of such area insofar as it pertains to the safe and proper maneuvering of aircraft and the safe and proper use of the airport involved. The local zoning body may retain jurisdiction of zoning in such areas as to all other matters.

(2) The Commission may adopt such regulations pertaining to the zoning of areas over which jurisdiction is assumed as will provide for the proper and safe use of such area and airport.

(3) The Commission shall maintain a public file in the offices of the department showing maps of each public airport within the state and the area around such airport over which it has assumed jurisdiction for zoning purposes and such shall constitute public notice of the restrictions and zoning applicable to such areas or airport. The Commission shall also maintain a public file showing any regulations adopted pertaining to land uses in areas zoned and such shall constitute public notice of same.

Section 59. In addition to considering the Technical Standard Orders of the Federal Aviation Agency in zoning the use of land and structures in areas over which jurisdiction is assumed, the Commission shall consider among other things the safety of airport users and surface persons and property, the character of flying operations conducted at the airport, the nature of the terrain, the height of existing structures and trees above the level of the airport, the views of officials of the Federal Aviation Agency as to the safe approaches required for operations at the airport, the future development of the airport including extensions to runways that may be required, the density of dwellings that may safely be permitted in the area, protection of the public investment in the airport and its facilities, the interest of the public in developing a sound public air transportation system within the state and the views and opinions of those owning land in such areas.

Section 60. When the Commission has assumed zoning jurisdiction over an airport and surrounding area by appropriate regulation and the filing of a map with the zoning boundaries marked thereon, no person shall thereafter change, modify or alter the use of any land or structures within such area for a purpose inconsistent with the applicable zoning regulations established by the Commission except upon application to the Commission for a special permit to do so. The

Commission shall, before issuing any such permit, give consideration to the standards set out in the preceding section.

Section 61. The Commission shall establish by regulation the maximum height to which any structure may be erected within the navigable air space of the state. In establishing such maximum heights, the Commission shall consider, among other things, the Technical Standard Orders of the Federal Aviation Agency, the terrain involved, the location of the structure in relation to airports, the safety of aircraft, the safety of surface persons and structures, the future development of the area involved, the density of population and dwelling within the area involved, the interest of the public in developing a sound public air transportation system within the state and the interest of the person desiring to erect such structure, except that upon application to the Commission, special permission may be granted to exceed such heights. The Commission, shall before issuing any such permit, give consideration to the standards set out herein.

Section 62. Any person may petition the Commission for a hearing regarding any regulations adopted or orders issued and upon receipt of such petition, the Commission shall convene and hear the matter. It shall thereafter vote on the matter, and issue its order based on the decision of the majority of the members present. Appeals from action or orders of the Commission may thereafter be prosecuted under the procedure set out in Section 31.

Section 63. In any case in which it is desired to remove, lower or otherwise terminate a nonconforming use; or the approach protection necessary cannot, because of unconstitutional limitations, be provided by zoning regulations; or it appears advisable that the necessary approach protection be provided by acquisition of property rights rather than by zoning regulations, the department, Commission, air board or boards, or governmental unit may acquire by purchase, grant, condemnation or otherwise, such air right, easement, or other estate or interest in the property or nonconforming use in question as may be necessary to effectuate the purposes of this chapter.

Section 64. In addition to any other penalty prescribed in this chapter, the Commission may institute in any court of competent jurisdiction, an action to prevent, restrain, correct or abate any violation of this chapter or of any zoning regulations adopted, or of any order or ruling made in connection with their administration or enforcement.

Section 65. In carrying out the purposes of Section 65 through Section 75 the department shall consider the views and recommendations of the Department of National Defense, or any agency of the United States Government subordinate thereto, to the end that the airport development included in such plan may be as useful for national defense as is feasable.

Section 66. The Kentucky Department of Aeronautics, any governmental unit, or the department together with any governmental unit may contract with the Federal Government in regard to the development of airports under any Act of Congress providing federal aid to the states in airport development.

Section 67. The department may contract with a board, governmental unit or other person, and a board or governmental unit may contract with the department or any person in regard to the development of airports and other aeronautical matters.

Section 68. In order to bring about, in conformity with the National Airport Plan prepared and from time to time revised as provided in the Federal Airport Act, the establishment of a statewide system of public airports adequate to meet the present and future needs of civil aeronautics, the department is authorized to render financial assistance by grant or loan or both to any governmental unit in the development of an airport owned or controlled or to be owned or controlled by such governmental unit out of appropriations made by the General Assembly for such purposes. Such financial assistance may be furnished in connection with federal aid, local or other funds available for airport purposes.

Section 69. (1) The development of airports in the state may be undertaken and the cost of such development may be borne as follows:

(a) Airports may be developed by the Commonwealth of Kentucky or by the Commonwealth of Kentucky and the United States Government in cooperation and, when so undertaken, the cost of such development may be borne entirely by the Commonwealth of Kentucky, or by the Commonwealth of Kentucky and the United States Government, or by the United States Government.

(b) Airports may be developed by a governmental unit or air board or boards and the Commonwealth of Kentucky and, when so undertaken, the cost of such development may be borne by the governmental unit or air board or boards and the Commonwealth of Kentucky.

(c) Airports may be developed by a governmental unit or air board or boards and the United States Government, and, when so undertaken, the cost of such development may be borne by the governmental unit or air board or boards and the United States Government.

(d) Airports may be developed by a governmental unit, an air board or boards, the Commonwealth of Kentucky and the United States Government and, when so undertaken, the cost of such development may be borne by the governmental unit, the air board or boards, the Commonwealth of Kentucky and the United States Government.

(2) Whenever state funds are used or sought to be used in the development of an airport in the state, the State Treasury shall be designated as the depository for all funds of governmental units, the United States Government, the Commonwealth of Kentucky, and private contributions pledged, contributed, loaned, made available, given or allocated for the development of such airport. Provided, however, the department may disregard the provisions of this subsection if such be necessary in order to comply with any law or regulation of the Federal Government. In all other instances of airport development, the governmental unit may designate its own depository for all funds of the governmental unit, United States Government, and private contributions pledged, contributed, loaned, made available, given or allocated for such airport development.

Section 70. The department may set apart out of moneys appropriated to it for state airport development an amount equal to any sum allotted to the state by the Federal Government or any sum necessary to carry on cooperative work with the Federal Government.

Section 71. As a condition precedent to the expenditure of any state funds for the development of any airport in the state, the department may require that the governmental unit or air board or boards shall have, or be in a position to acquire, all lands or other property interests which in the judgment of the department are necessary for the development of the airport.

Section 72. The department shall not expend any funds appropriated or made available by the state for the development of public airports, upon any private airports.

Section 73. Whenever state funds are used, or sought to be used, all governmental units or air boards in this state, whether acting alone or jointly with another governmental unit or board or with the United States Government or with the state, shall comply with the terms of Section 65 through Section 75 and all rules and regulations adopted thereunder, and secure the approval of the department.

Section 74. The provisions of KRS 56.030 do not apply to land or interest in land or easements thereon partly or wholly paid for out of state funds used in the construction, alteration, or development of public airports in the state.

Section 75. There is hereby created in the State Treasury a special fund to be known as the "Kentucky Airport Development Fund." All moneys deposited or paid into this fund, including repayment of any loans made therefrom, are appropriated and shall be available to the department for the purposes of Section 65 through Section 74. All moneys in such fund shall be expended solely for the development of airports or administrative cost incidental to the development of airports. No portion of this fund may be used for airport development administrative purposes or for the purchase of aircraft in any year unless the transfer of such funds is approved by the Governor. The fund shall consist of all money appropriated by the state and all money received from the United States or from any other source for the purpose of airport development. All moneys in the Kentucky Airport Development Fund shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the State Treasury, except that any balance in this fund shall not lapse at any time but shall be continuously available to the department for the purposes of carrying out the provisions of Section 65 through Section 74. A general statement that all continuing appropriations are repealed shall not be construed as abolishing this fund.

Section 76. (1) There shall be a Division of Civil Air Patrol in the Department of Aeronautics. The division shall consist of the Kentucky Wing of the Civil Air Patrol and such other units and personnel as are added by administrative order.

(2) The commanding officer of the Kentucky Wing of the Civil Air Patrol shall be ex officio the director of the division.

Section 77. The division shall perform emergency disaster work within the Commonwealth in all instances in which aeronautical equipment and maneuvers might be of assistance in relieving the disaster, and shall engage in all manner of air search and rescue for which the Civil Air Patrol is fitted. The director may establish facilities for aeronautical education and training.

Section 78. The Commissioner of Aeronautics shall coordinate the activities of the division with the federal government and any of its agencies in all matters relating to aeronautical training and education, communications, rescue work, mercy missions, aerial observation, establishment of navigational aids, and other functions within the scope of activity of the Civil Air Patrol.

Section 79. No portion of moneys appropriated for the division of the Civil Air Patrol shall be expended without the approval of the Commissioner of Aeronautics nor shall they be expended for the payment of compensation to members of the Civil Air Patrol or the purchase of uniforms for any member of the Civil Air Patrol.

Section 80. (1) The department may purchase necessary insurance to provide adequate protection for the public; its authorized pilots and employees; pilots employed by other departments of state government; aircraft owned, leased or operated by the department; aircraft owned, leased or operated by other departments of state government; the health and lives of persons being transported in aircraft owned, leased or operated by authorized pilots employed by the state.

(2) The Commissioner of Insurance, upon recommendation of the Commissioner of Aeronautics, shall initiate and be responsible for the purchase of such insurance. If other departments of state government desire that their pilots, employes, aircraft and passengers shall be insured under such policy, then the Commissioner of Insurance shall pro-rate the cost of the insurance among the departments participating.

(3) Each policy shall contain a provision reciting that the defense of immunity of the state against such liability shall be waived, but only to the extent of the limits of the policy. Judgment against the state in any case shall not exceed the limits of the policy. The venue of action shall be as provided by the civil rules. The limits of liability of the policy shall be determined by the Commissioner of Insurance, the Commissioner of Aeronautics and the Commissioners of any other participating department.

(4) Any policy purchased under this section, shall be purchased only from insurers authorized to do business in this state and shall be countersigned by a licensed resident agent.

Section 81. The Commissioner of Aeronautics may appoint a board to be known as the "Capital City Air Board" to advise with the Commissioner in the supervision and operation of the Capital City Airport, owned by the state and located at Frankfort. Such board, if appointed, shall consist of five members, who shall serve for such terms, not exceeding four years, as may be fixed by the Commissioner, and who shall be removable at the will of the Commissioner. The Commissioner shall serve as chairman of the board, and the board shall meet at the call of the chairman. Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred in the conduct of the affairs of the board.

PENALTIES

Section 82. (1) Any person violating any of the provisions of this chapter with respect to operation of aircraft shall be fined not less than ten dollars nor more than one hundred dollars or imprisoned not more than ninety days or both.

(2) Every person coming within the provisions of Section 24 through Section 30 and every officer, agent or employe of the holder of any certificate issued under Section 24 to Section 30 and every other person who violates or causes, aids or abets any violation, of any order, rule or regulation lawfully issued pursuant to the authority granted by Section 24 to Section 30 shall, upon conviction, be punished by a fine of not less than one hundred dollars nor more than five hundred dollars. The prosecution may be had in the circuit court of any county in which the offense or any part thereof shall have occurred.

(3) Each violation of the statutes pertaining to the State Airport Zoning Commission or of any order, rule or regulation promulgated pursuant thereto shall be punishable by a fine of not less than one hundred dollars nor more than five hundred dollars or imprisonment for not more than thirty days or both, and each day a violation continues to exist shall constitute a separate offense.

Section 83. If any section, paragraph, sentence or clause of this Act is invalid, the invalidity thereof shall not affect the validity of the remaining sections, paragraphs, clauses and sentences hereof.

HB 466, AN ACT relating to Kentucky statutes.

WHEREAS, technical amendments are necessary to prevent literal inconsistencies between the Kentucky Revised Statutes and the Uniform Commercial Code,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 251.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) The sealer shall deliver to the warehouseman one or more warehouse receipts as provided in this chapter, but the aggregate amount of the grain represented by the warehouse receipts shall in no event exceed the amount of grain stored and sealed by the sealer. Each warehouse receipt shall cover a separate granary, crib or bin.

(2) Warehouse receipts issued under this chapter shall, so far as applicable, be subject to the Uniform Commercial Code.

Section 2. Section 382.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) Mortgages executed by corporations, organized under the laws of Kentucky, authorized to operate railroads, motor transportation lines, electric light, heat and power plants, water plants, telegraph and telephone lines, which cover right of ways, franchises, pipe lines, pole lines, easements, railroad tracks, engines, cars, motor equipment or any tangible personal property shall be duly acknowledged as required by law and recorded as mortgages on real estate are required to be recorded in the county in which the principal office of the corporation is located.

(2) If the mortgage covers other real property in addition to right of ways, franchises, pipe lines, pole lines, easements, railroad tracks, engines, cars, motor equipment or tangible personal property, then the mortgage shall also be recorded in each county in which such other real property used as right of ways other than right of ways for pole lines is located.

(3) When such mortgage is lodged for record, as herein provided, it shall be effective against purchasers for a valuable consideration without notice and against creditors as defined in KRS 382.270.

Section 3. Section 382.635 of the Kentucky Revised Statutes is amended to read as follows:

If any tobacco crop subject to the lien of a security interest is sold at public auction through a duly licensed tobacco warehouse in the ordinary course of business, a bona fide purchaser for value of such crop shall take title thereto free and clear of any such lien, and the warehouseman selling such tobacco crop shall not be liable to the holder of such lien, unless written notice of such lien and the amount thereof, the name and address of the debtor and proper identification of the property subject to lien, are given to the tobacco warehouseman prior to the payment of the proceeds of sale to the owner or producer of such tobacco crop.

Section 4. Section 7-204 of the Uniform Commercial Code is amended to read as follows:

Duty of Care; Contractual Limitation of Warehouseman's Liability. (1) A Warehouseman is liable for damages for loss of or injury to the goods caused by his failure to exercise such care in regard to them as a reasonably careful man would exercise under like circumstances but unless otherwise agreed he is not liable for damages which could not have been avoided by the exercise of such care.

(2) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage, and setting forth a specific liability per article or item, or value per unit of weight, beyond which the warehouseman shall not be liable; provided, however, that such liability may on written request of the bailor at the time of signing such storage agreement or within a reasonable time after receipt of the warehouse receipt be increased on part or all of the goods thereunder, in which event increased rates may be charged based on such increased valuation, but that no such increase shall be permitted contrary to a lawful limitation of liability contained in the warehouseman's tariff, if any. No such limitation is effective with respect to the warehouseman's liability for conversion to his own use.

(3) Reasonable provisions as to the time and manner of presenting claims and instituting actions based on the bailment may be included in the warehouse receipt or tariff.

Section 5. Sections 382.390, 382.400, 382.410, 382.420, 382.600, 382.610, 382.620, 382.630, 382.640, 382.650, 382.660, and 382.730 of the Kentucky Revised Statutes are repealed.

Section 6. This Act shall take effect on July 1, 1960.

HB 449, AN ACT relating to insurance companies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A foreign insurance company or insurer incorporated by or under the laws of any other state or foreign country, which is subject to the tax imposed by KRS 136.330, 136.340, 136.350, 136,360, 136.370, 136.390, 342.445 or 342.450, and which owns or leases and substantially occupies any building in the Commonwealth of Kentucky as a regional home office, as defined in Section 2 of this Act, shall be entitled to the following credits and deductions against such tax.

(1) An amount equal to the full amount of all ad valorem taxes paid by such a foreign insurance company during the year next preceding the filing of the report required by Section 3 of this Act upon

(a) Any building and the land upon which it stands in this state owned and substantially occupied by such foreign insurance company in the said tax year as a regional home office, together with any adjacent land as may be required for the convenient use and occupation thereof, and

(b) any property, real or personal, used in connection with the operation and maintenance of such regional home office.

Section 2. A regional home office, for the purpose of this section, shall mean an office performing, for an area covering three or more states, the selling, underwriting, issuing and servicing of insurance, including the following functions relating thereto: approval or rejection of applications for insurance and issuance of policies thereon, approval of payment of all types of claims, maintenance of records to provide policyholder information and service, advertising and publications, public relations, supervision and training of sales and service forces.

Section 3. Such a foreign insurance company or insurer shall, by March 1 of each year, on forms to be prescribed by the insurance commissioner, furnish proof which shall satisfy the insurance commissioner that such foreign insurance company or insurer owned or leased and substantially occupied during the preceding calendar year a regional home office as contemplated by Section 2 of this Act. Upon receipt of such proof, the insurance commissioner shall issue to the state treasurer a certificate that the foreign insurance company or insurer owned or leased and substantially occupied during the preceding calendar year a regional home office, as contemplated by Section 2 of this Act. Upon receipt of such proof, the insurance commissioner shall issue to the state treasurer a certificate that the foreign insurance company or insurer owned or leased and substantially occupied during the preceding calendar year a building in this state as such a regional home office, with the location thereof, and is entitled to the credits and deductions provided for in Section 1 of this Act with respect to the tax imposed by KRS 136.330, 136.340, 136.350, 136.360, 136.370, 136.390, 342.445 or 342.450, which accrued during such calendar year. Provided, that with respect only to the calendar year in which a foreign insurance company or insurer shall first establish such a regional home office in this state, if the proof filed with the insurance commissioner on or before March 1 of the succeeding year, as above provided in this section, shall evidence to the satisfaction of the insurance commissioner that said foreign insurance company or insurer established such a regional home office in this state on or prior to July 1 of such calendar year and substantially occupied and maintained same during the remainder of such calendar year, then said foreign insurance company or insurer shall be entitled to the rights, credits and deductions provided in this Act as fully as though it had owned or leased and substantially occupied said regional home office during the entire period of such calendar year; and in such event the certificate to be issued by the insurance commissioner to the state treasurer as above provided in this section, shall be so worded as to accomplish the intent and purpose of this Act.

SB 282, AN ACT relating to contracts for the sale of cemetery merchandise.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Whenever any person, firm, corporation, or other business organization engaged in the business of owning, maintaining, or operating a cemetery (hereinafter referred to as "cemetery"), except a religious organization, shall accept money in connection with a contract for the sale of cemetery merchandise and other personal property such as may be used in connection with disposing or commemorating the memory of a deceased human being, delivery of which may be longer than 90 days after the receipt of final payment on such sale, the cemetery shall deposit in a trust fund, established for that purpose with a bank or trust company authorized by law to administer trust funds (hereinafter referred to as "trustee"), an amount not less than the procurement cost to the cemetery of the cemetery merchandise and personal property so sold. The procurement cost shall be determined and substantiated by a wholesale price list of a manufacturer or supplier of the cemetery merchandise and personal property so sold or by an itemization of the cost of manufacture of the cemetery merchandise and personal property manufactured and sold by the cemetery which cost determination, in either case, shall be verified by a Certified Public Accountant. The deposit in the trust fund shall be made not later than 45 days after the close of the month in which the final payment on the purchase price was received.

Section 2. To insure the adequacy of the trust funds for their intended purpose, the net income therefrom shall remain therein and be reinvested and compounded, except that annually, as of December 31, upon certification to the trustee by the cemetery, in the manner prescribed in Section 1, the trustee shall return to the cemetery any income of the trust fund, which when added to the original principal and accumulated income is in excess of the then requirements for the purchase of the cemetery merchandise and other personal property. Except as provided in Section 3 none of the original principal shall be returned to the cemetery even though such principal at the end of any annual period, on December 31, is in excess of the then requirements to fulfill any particular contract or portion thereof.

Section 3. Except as provided in Section 2, the funds held in trust shall remain intact until detailed certification has been made by the cemetery to the trustee of the delivery of item or items under a contract, at which time funds to cover the then cost of such items shall be delivered to the cemetery. If, after payment to the cemetery for items delivered pursuant to contract, the contract is completed but there remain funds with the trustee or there are still funds allocated to the particular item which has been delivered, in either event, such excess funds shall be delivered to the cemetery. All funds still in the trustee's hands 75 years after their receipt shall be then returned to the cemetery.

Section 4. Any monies returned to the cemetery by the trustee, either pursuant to Section 2 or Section 3, except as such may be used to reimburse the cemetery for items delivered under contract, must be used by the cemetery only for the preservation, care, maintenance and improvement of the cemetery property and its operations.

Section 5. Any trustee dealing with a cemetery may rely on the certification to it by the cemetery of the various matters of information required by this act and the trustee shall not be liable to anyone for its reliance, in good faith, upon such certifications.

Section 6. Every cemetery shall keep accurate books of account and records of all transactions concerning merchandise funds, and a copy of all agreements made in connection with merchandise funds. Such records shall be kept at least one year after the termination of the agreement which they evidence.

Section 7. The Department of Banking may at any time investigate a cemetery with respect to books of account and records concerning merchandise funds, and the books of account and records of any trustee of such funds. The Department of Banking may accept an examination of such funds if it is made by a Certified Public Accountant and a copy of the examination is furnished to it.

Section 8. If the Commissioner of Banking should determine that a cemetery is not complying with the provisions of this Act, it shall be his duty to inform the trustee of the cemetery's merchandise funds and the trustee, with respect to such cemetery's fund, shall follow the orders and direction of the Commissioner of Banking or his authorized deputy until released from further obligation by the Commissioner of Banking or his deputy.

Section 9. The provisions of this Act are separable and a Judicial finding of unconstitutionality of any section of this Act, shall not affect the sections remaining.

Section 10. Whoever violates any provision of this Act shall be guilty of a misdemeanor and upon conviction shall be fined not less than $50 or more than $500, or confined in the county jail not exceeding 3 months, or both.

HB 282, AN ACT relating to pharmacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 315.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Association" means the Kentucky Pharmaceutical Association.

(2) "Board" means the Kentucky Board of Pharmacy.

(3) "Pharmacy" means every place where:

(a) Drugs are dispensed or sold at retail or displayed for sale at retail, or

(b) Where prescriptions are compounded, or

(c) Which has upon it or displayed within it, or affixed to or used in connection with it, a sign bearing the term "pharmacists", "pharmacy", "apothecary", "drug", "drug store", "druggists", "drugs", "medicines", "medicine store", "drug sundries", "remedies", or any term of similar or like import or any place with respect to which any of those terms are used in any advertisement or telephone directory listing, or

(d) Where the characteristic show bottles or colored globes are exhibited.

Section 315.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every licensed pharmacist who desires to continue in business shall, during January of each year, pay to the secretary-treasurer of the board a renewal fee, to be fixed by the board, but not to exceed ten dollars. For this he shall receive a certificate of renewal of his license.

(2) Every licensed assistant pharmacist who desires to continue

in business shall, during January of each year, pay to the secretary-treasurer of the board a renewal fee, to be fixed by the board, but not to exceed four dollars. For this he shall receive a certificate of renewal of his license.

(3) Every pharmacist and every assistant pharmacist shall keep his current certificate conspicuously displayed in his place of business.

SB 284, AN ACT relating to nuclear energy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 152.110 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 152.105 to 152.190, unless the context otherwise requires:

(1) "Atomic energy" means all forms of energy released in the course of nuclear fission or nuclear transformation.

(2) "By-product material" means any radioactive material, except special nuclear materials, yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing nuclear materials.

(3) "Production facility" means (a) any equipment or device capable of the production of special nuclear material in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (b) any important component part especially designed for such equipment or device as determined by the United States Atomic Energy Commission.

(4) "Special nuclear material" means (a) plutonium and uranium enriched in the isotope 233 or in the isotope 235 and any other material after the United States Atomic Energy Commission has determined the material to be such; or (b) any material artifically enriched by any of the foregoing.

(5) "Utilization facility" means (a) any equipment or device, except an atomic weapon, capable of making use of special nuclear materials in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public, or peculiarly adapted for making use of atomic energy in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (b) any important component part especially designed for such equipment or device as determined by the United States Atomic Energy Commission.

Section 2. Section 152.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) All rules and regulations, except emergency regulations

adopted pursuant to KRS Chapter 13 which are approved by the Governor, proposed in accordance with KRS 152.120, shall be submitted to the Governor and to the Advisory Committee on Nuclear Energy, not less than sixty (60) days prior to the filing of such rules and regulations with the Legislative Research Commission. Within such sixty-day period and after consultation with the Advisory Committee and the holding of any public hearings which may be deemed advisable, the Governor may determine that any such proposed rules and regulations, or parts thereof, are not in accord with the policy of this Chapter and may issue an order to that effect. In such event any such proposed rules and regulations, or parts thereof, shall not become effective. The Governor may within sixty (60) days after the effective date of this Act and after a similar determination, declare null and void any or all rules and regulations issued in accordance with KRS 152.120 prior to such effective date.

(2) The Governor may delegate to any state offical the power to perform the functions of the Governor as set out in subsection (1) and the actions of such official with respect to regulations of any state agency proposed under KRS 152.120 shall be valid as if done by the Governor.

Section 3. Section 152.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be a committee, attached to the Department of Economic Development for administrative purposes, to be known as the Advisory Committee on Nuclear Energy to advise the Governor on atomic energy developments and regulations within the Commonwealth and to perform other functions set forth in this chapter. The Committee shall consist of not more than seventeen (17) members and shall include persons from private life and representative of state governmental activities concerned with nuclear energy as determined by the Governor. The Governor shall appoint the members of the committee, who shall be residents of the Commonwealth, and its chairman; all members shall serve at the pleasure of the Governor.

(2) The Director of the Division of Nuclear Information, Department of Economic Development, shall be ex-officio the executive secretary of the committee, and shall serve as coordinator and provide administrative services for accomplishing through the Department of Economic Development, the adopted directives of the committee.

(3) The members of the committee shall receive no salary for services performed on such committee, but may be reimbursed for necessary and actual travel expenses incurred in connection with attendance at official meetings of the committee or subcommittees thereof.

Section 4. A new section of the Kentucky Revised Statutes is created to read as follows:

The Governor of the Commonwealth shall have power and authority to enter into agreements with the United States Atomic Energy Commission or other appropriate Federal agency or authority regarding any matter the subject of KRS 152.105 to 152.190.

Section 5. Section 152.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 152.105 to 152.190 or any regulation of a state agency promulgated in accordance with KRS 152.120 and 152.130 shall be fined not less than one hundred dollars nor more than five thousand dollars, or imprisoned in the county jail not less than ten days nor more than six months, or both fined and imprisoned. For the purposes of this subsection, each day of violation shall be deemed a separate offense.

(2) Whenever, in the opinion of the Attorney General, any person is violating or is about to violate any of the provisions of KRS 152.105 to 152.190, or is violating or is about to violate any of the rules and regulations promulgated under KRS 152.105 to 152.190, the Attorney General may apply to the appropriate court for an order enjoining the person from engaging or continuing to engage in the violative act, and upon a showing that such person has engaged, or is about to engage in such activity, a restraining order or permanent or temporary injunction, or any other appropriate order may be granted.

Section 6. Whereas the Federal Government by Public Law 86-373, enacted in 1959, provided for the transfer of various atomic energy regulatory functions to the states and, whereas, it is provided that the Governor of the Commonwealth and the representative of the Federal Government shall negotiate an agreement to effect such transfers and, whereas it is essential to effect uniformity in the transfer and administration of such functions, an emergency is declared to exist and this act shall become effective upon its passage and approval by the Governor.

SB 249, AN ACT relating to the education of mentally and physically handicapped children.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Special education classes for educable mentally handicapped and physically handicapped children shall contain no more than fifteen children and, insofar as is practicable, the enrollment of the class shall be evenly divided between males and females.

Section 2. Maladjusted children who because of social or emotional problems are unable to make constructive use of their school experience and who may require the provisions of special services shall not be enrolled in special education classes contemplated in Section 1 of this Act.

Section 3. Teachers of mentally and physically handicapped children shall be paid at the same rate as are teachers in special education classes for blind or deaf children.

HB 495, AN ACT relating to thoroughbred horse racing and race meetings.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context requires otherwise:

(1) "Association" means any person licensed by the Kentucky State Racing Commission under Section 10 of this Act and engaged in the conduct of a recognized thoroughbred race meeting.

(2) "Commission" means the Kentucky State Racing Commission.

(3) "Commissioner" means a member of the Kentucky State Racing Commission.

(4) "Secretary" means the Secretary of the Kentucky State Racing Commission.

(5) "Thoroughbred race or thoroughbred racing" shall include that form of horse racing in which each horse participating in such race is a thoroughbred, (i.e., meeting the requirements of and registered with The Jockey Club of New York) and is mounted by a jockey.

Section 2. (1) There is hereby created the Kentucky State Racing Commission which shall be an independent agency of state government. The Commission shall consist of five members all of whom shall be appointed by the Governor. Not less than three of the members shall be breeders and raisers of thoroughbred stock in Kentucky, and no two of the members shall be directors of the same racing association. Commissioners shall be appointed for a term of four years and until their successors are appointed and qualified. Any vacancy on the Commission shall be filled by the Governor for the unexpired term. Each Commissioner shall be eligible for reappointment in the discretion of the Governor. Commissioners shall serve without salaries, but shall be reimbursed for all expenses paid or incurred in the discharge of official business. The Commission shall designate one of their number as chairman and another as vice-chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(2) The Commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The Commission may hold meetings at any of such offices or at any other place when the Convenience of

the Commission requires. All meetings of the Commission shall be open and public, and all persons shall be permitted to attend any meetings. A majority of the Commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

Section 3. (1) The Governor shall appoint a secretary for the commission for a term not to exceed four years and who may be removed in the same manner as a member of the commission. The secretary shall possess the powers and perform the duties imposed upon him by this Act, and such other duties as the commission may direct or prescribe. The secretary shall keep a full record of all proceedings before the commission and shall preserve at its general office all books, maps, records, documents, licenses and other papers of the commission. All records of the commission shall be open to inspection by the public during regular office hours.

(2) The commission may employ an assistant secretary and stenographers, clerks and other personnel as it may deem necessary to efficiently operate its general office or any branch thereof. The commission shall fix the compensation of such employes. Any member of the commission or the secretary thereof or any employe referred to in this section shall be reimbursed for expenses paid or incurred in the discharge of official business when approved by the commission. The compensation of the employes referred to in this section, together with reimbursement of expenses incurred by such employees, a member of the commission or the secretary thereof, shall be paid from commission funds.

Section 4. (1) In addition to the employes referred to in Section 3 of this Act, the commission may employ, at reasonable compensation, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, guards and other employees deemed by the commission to be essential at or in connection with any thoroughbred race meeting and to the best interest of racing. The commission for the purpose of maintaining integrity and honesty in racing shall prescribe by rule the powers and duties of the persons employed under this section. The commission shall promulgate rules and regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate, and in connection therewith the commission is authorized to acquire, operate and maintain, or to provide by contract for the maintenance and operation of, a testing laboratory and related facilities, for the purpose of saliva, urinal or other tests, and to purchase supplies and equipment for and in connection with such laboratory or testing processes. The expense of the laboratory or other testing processes, whether furnished by contract or otherwise, together with all supplies and equipment used in connection therewith, shall be paid by the various associations licensed under this Act in such manner and in such proportions as the commission may by rule provide.

(2) The compensation of the employes referred to in this section shall be paid by the licensee conducting the thoroughbred race meeting in connection with which said employes are utilized or employed. The salary of the secretary to the commission shall be prorated among and paid by the various associations licensed under this Act in the manner as the commission may, by rule, provide. The employes referred to in this section shall be deemed employes of the commission, and are paid by the licensee or association for convenience only.

(3) Each person, as a condition precedent to the privilege of receiving a license under this Act to conduct a thoroughbred race meeting shall be deemed to have agreed that it will pay such expenses and compensation as provided in this section and as may be actually and reasonably incurred.

Section 5. When requested by the commission, the Attorney-General of Kentucky, or such Assistant Attorney-General as he may designate, shall, without additional compensation advise the commission and represent it in all legal proceedings.

Section 6. The commission, in the interest of breeding or the improvement of the breed of thoroughbred horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of this Act including, but without limitation, the following:

(1) The commission is vested with full jurisdiction and supervision over all thoroughbred race meetings in this state and over all persons and associations having to do with the conduct of such meetings.

(2) The commission, its representatives and employes, may visit, investigate and have free access to the office, tract, facilities or other places of business of any licensee for the purpose of satisfying itself that this Act and its rules and regulations are strictly complied with.

(4) The commission shall have full authority to prescribe rules, regulations and conditions under which thoroughbred horses racing shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any thoroughbred race meeting.

(5) Applications for licenses shall be made in the form, in the manner and contain information as the commission may, by rule, require. Fees for all licenses issued under Section 11 of this Act shall be prescribed by and paid to the commission.

(6) Any of the foregoing rules, regulations and conditions may be altered, amended, repealed and published from time to time. All rules, regulations and conditions shall become effective thirty days after the filing thereof with the Legislative Research Commission

unless the Governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the Legislative Research Commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing.

(7) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to such witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties. Any person failing to appear before the commission at the time and place specified in said summons, or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than $1,000.00 or by imprisonment for not more than six months, or both. False swearing on the part of any witnesses shall be deemed perjury and punished as such.

(8) The commission shall have authority to compel any racing association licensed under this Act to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

Section 7. The commission shall biennially make a full report to the General Assembly of its proceedings for the two-year period ending December 1 preceding the meeting of the General Assembly and may embody in the report such suggestions and recommendations as it deems desirable.

Section 8. No person shall hold or conduct any thoroughbred race meeting for any stake, purse, or reward within the Commonwealth of Kentucky without securing the required license from the commission.

Section 9. All licenses granted under this Act:

(a) shall be in writing.

(b) shall be subject to all rules, regulations and conditions as may from time to time be prescribed by the commission.

(c) shall contain such conditions as may be considered necessary or desirable by the commission for purposes of this Act, and

(d) no license shall extend beyond the end of the calendar year for which it was issued.

Section 10. (1) Any person desiring to conduct thoroughbred racing within the Commonwealth of Kentucky during any calendar year shall first apply to the commission for a license to do so. The application shall be filed at the commission's general office on or before a day fixed by the commission. The application shall specify the location of the track and the days on which racing is desired to be conducted or held and shall be in the form and contain such other information and data as the commission may, by rule, require.

(2) The commission shall as soon as practicable but in no event later than March 1 in any calendar year award all dates for racing in Kentucky during the year. The commission may issue such license to conduct a thoroughbred race meeting to any person who makes the aforesaid application, who has complied with the requirements of this Act as well as the rules of the commission and where the issuance thereof is in the best interest of racing generally. As a condition precedent to the issuance of the license, the commission may require a surety bond or other surety conditioned upon the payment of all taxes due the Commonwealth, together with the payment of operating expenses including purses and awards to owners of horses participating in races.

(3) Every license issued under this Act shall specify among other things the name of the person to whom issued, the address and location of the track where the thoroughbred race meeting to which it relates is to be held or conducted, and the days and hours of the day when the meeting will be permitted.

(4) A license issued under this section is neither transferrable nor assignable and shall not permit the conduct of a thoroughbred race meeting at any track not specified therein. However, if the track specified becomes unsuitable for thoroughbred racing because of flood, fire or other catastrophe, the commission may, upon application, authorize the meeting, or any remaining portion thereof, to be conducted at any other suitable track available for that purpose, provided that the owner of such track willingly consents to the use thereof.

(5) Thoroughbred racing dates may be awarded and licenses issued authorizing thoroughbred racing on any day of the year except Sundays. No thoroughbred racing shall be held or conducted on any Sunday. Thoroughbred racing shall be held or conducted only between sunrise and sunset.

(6) The commission may at any time require the removal of any official or employe of any association in those instances where it has reason to believe that the official or employe has been guilty of any dishonest practice in connection with thoroughbred racing or has failed to comply with any condition of his license or has violated any law or any rule or regulation of this commission.

(7) Every thoroughbred race not licensed under this section is hereby declared to be a public nuisance and the commission may obtain an injunction against the same in the circuit court of the county where the unlicensed race is proposed to take place.

Section 11. Every person not required to be licensed under Section 10 hereof who participates in or has anything to do with thoroughbred racing, including a horse owner, jockey, apprentice, exercise boy, agent, trainer, observer, stable foreman, groom, valet, veterinary, horse shoer, steward, horse owner, owner's stable, watchman, starter or starter's helper, timer, judge, any other person acting as a racing official of any thoroughbred race meeting and every employe of a pari-mutuel department shall be licensed by the commission pursuant to such rules and regulations as the commission may adopt and upon the payment of a license fee fixed and determined by the commission. No person required to be licensed by this section may participate in any capacity in any thoroughbred race meeting without a valid and unrevoked license authorizing such participation. An original license issued under this section shall be issued for the calendar year in which it is issued and shall be renewable annually upon the payment of the fee prescribed for the issuance of an original license of the same kind. The license shall be valid at all thoroughbred race meetings in this state during the period for which it is issued unless it is suspended or revoked prior to the expiration of such period. No qualified person shall be refused a license under this section without just cause, but for just cause the same may be denied and, after issuance, may be suspended or revoked.

Section 12. (1) Every license granted under this Act is subject to revocation or suspension by the commission in any case where it has reason to believe that any provision of this Act or rule, regulation or condition of the commission affecting it has not been complied with or has been broken or violated. The commission in the interest of honesty and integrity of thoroughbred horse racing may prescribe rules and regulations under which any license may be denied, suspended or revoked.

(2) If any license is denied, suspended or revoked the commission shall state publicly its reasons for the suspension or revocation and shall cause an entry of such reasons to be made on its record book. The action of the commission in denying, suspending or revoking any license issued under this Act is final except that such action is subject to review by any court of competent jurisdiction. The action of the commission shall remain in full force and effect until reversed or modified by a valid order of such court.

Section 13. Any licensee or any applicant aggrieved by any order of the commission may appeal to the Franklin Circuit Court within the time and in the manner provided by KRS 243.560 to 243.590.

Section 14. (1) The commission shall adopt rules governing and regulating mutuel wagering on thoroughbred races under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under this Act to conduct a thoroughbred race meeting and only upon the licensed premises and on the dates and hours for which racing has been authorized by the commission. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under Section 15 of this Act.

(3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at thoroughbred race meetings shall be presumed abandoned within the meaning of KRS Chapter 393, if not claimed by the person entitled thereto within two years from the time the ticket became payable.

Section 15. Any person licensed by this commission under Section 12 of this Act may be issued by the Alcoholic Beverage Control Board and may hold a distilled spirits and wine special temporary license and malt beverage special temporary license as provided in KRS 243.260 and 243.290. The licenses and each of them when issued shall be valid and effective only upon premises licensed by this commission and upon the dates and hours for which racing has been authorized by this commission.

Section 16. (1) This Act is not applicable to trotting or pacing meets or races conducted in this state.

(2) The provisions of this Act are intended to be state-wide and exclusive in their effect and no city, county or other political subdivision of state government shall have the power or authority to make or enforce any local laws, ordinances or regulations on the subject of thoroughbred race meetings. Any person licensed under Section 10 of this Act shall continue to pay, or be responsible for the payment of, all state taxes presently imposed by law, including but without limitation, license taxes imposed under KRS 137.170 to 137.190, and KRS 137.990 together with admission taxes imposed by KRS 138.480 to 138.490, and the pari-mutuel taxes imposed by KRS 138.510 to 138.550, and all state, as well as local, ad valorem taxes; provided, however, no tax shall be imposed by the state or any subdivision thereof upon, or measured by, that portion of the excise tax imposed upon pari-mutuel betting at running and trotting horse race tracks which is collected and retained by the operators thereof under the provisions of KRS 138.510 to 138.550, both inclusive.

Section 17. Subsections (1) and (2) of Section 230.010; Sections 230.020, 230.030, 230.040, 230.050, and 230.060; and subsection (1) of Section 230.990 of the Kentucky Revised Statutes are hereby repealed.

HB 502, AN ACT relating to registration and purgation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Not less than 90 days prior to each primary election for state-wide officers the County Registration and Purgation Board shall notify by first class mail each registered voter in the county at the address listed on his registration record that if he moves from his present precinct to another within the county without having his registration record transferred as provided in KRS 117.645 by ----------, the day on which the registration books are closed, he will be disqualified from voting.

Section 2. The name and address of the County Registration and Purgation Board shall be indicated in the upper left hand corner of the envelope with the following notation: "If undeliverable at address shown, return to sender immediately without recourse to directory service." When the mailed notice is returned as provided herein, the county purgation board shall immediately cancel the registration record of the voter and the names of the purged voters shall be published in a newspaper of the largest general circulation within the county not less than 70 days prior to the primary election. Any voter so purged may, however, have his name reinstated by submitting sufficient proof to the board that he is still a legal resident of the precinct. Reinstatement may be made during the period the registration books are closed but not later than 20 days before the primary.

Section 3. If any County Registration and Purgation Board fails or refuses to perform its duties as required by this Act, any citizen or candidate may, and the Commonwealth's Attorney or the Attorney General shall when so requested by the State Registration and Purgation Board, apply to the circuit court of the county for a summary mandatory order to require compliance. If the circuit court finds that the county board has not complied with the provisions of this Act it shall issue such summary mandatory order.

HB 401, AN ACT relating to strip mining and reclamation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

There hereby is created in the Department of Conservation a Strip Mining and Reclamation Commission, which shall be composed of the Commissioner of Conservation, serving as chairman, the Chief of the Department of Mines and Minerals, and the Director of Strip Mining and Reclamation. The members of the commission, other than the Director of Strip Mining and Reclamation, shall receive no compensation for their services on the commission, but shall be reimbursed for their expenses incurred in performing their functions. The commission shall meet from time to time on the call of any member, but shall meet at least four times each year.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

The records, property, personnel, any unexpended appropriation balances and trust and agency funds maintained for carrying out the functions of the Department of Conservation in the field of strip mining and reclamation as provided in KRS 350, are hereby transferred to the Strip Mining and Reclamation Commission.

Section 3. Section 350.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this Act unless the context otherwise requires:

(1) "Strip Mining" means all or any part of the process followed in the production of commercial coal, or clay from a natural coal, or clay deposit by the open pit or open cut method or the auger method, but shall not include the casual removal of coal, or clay in building roads or other developments of the owners' property for purposes other than the production of coal, or clay by the open pit or open cut method or auger method;

(2) "Overburden" means all the earth and other materials which are removed to gain access to the commercial coal, or clay in the process of strip mining;

(3) "Area of land affected" means the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited;

(4) "Operation" means all of the premises, facilities and equipment used in the process of producing coal, or clay from a designated strip mine area;

(5) "Operator" means any person, partnership or corporation engaged in strip mining who removes or intends to remove more than two hundred and fifty tons of coal, or clay from the earth by strip mining within twelve successive calendar months;

(6) "Person" means persons, partnership or corporation;

(7) "Division" means the Division of Strip Mining and Reclamation;

(8) "Director" means the Director of the Division of Strip Mining and Reclamation of the Department of Conservation;

(9) "Commission" means the Strip Mining and Reclamation Commission;

(10) "Reclamation" means the reconditioning of the area of land affected by a strip mining operation under a plan approved by the commission.

Section 4. Section 350.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) No operator shall engage in strip mining without having first obtained from the Division a permit designating the area of land affected by the operation. The permit shall authorize the operator to engage in strip mining upon the area of land described in his application for a period of one year from the date of its issuance.

(2) An operator desiring a permit shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit;

(c) The owner or owners of the coal, or clay to be mined;

(d) The source of the applicant's legal right to enter and mine the coal, or clay on the land affected by the permit;

(e) The permanent and temporary post office addresses of the applicant;

(f) Whether the applicant holds any other permits under this chapter, and an identification of such permits.

(3) The application for a permit shall be accompanied by two copies of an accurate map of the area involved. The map shall:

(a) Be made by an engineer;

(b) Identify the area to correspond with the application;

(c) Not be part of a map made for some other purpose, but shall show adjacent deep mining and adjacent surface owners;

(d) Be made to a scale of not less than one hundred feet to the inch and not to exceed six hundred and sixty feet to the inch;

(e) Show the name of all creeks, roads, buildings, oil and gas wells and lines on the area to be strip mined and within two hundred feet of such area;

(f) Show the total area involved in the operation, the area of the coal, or clay to be strip mined, and the area of land affected.

(4) A basic fee of fifty dollars plus ten dollars for each acre or fraction thereof of the area of land to be affected by the operation shall be paid before the permit required herein shall be issued. The operator shall file with the Division a bond payable to the Commonwealth of Kentucky with surety satisfactory to the Division in the penal sum to be determined by the Commission of not less than one hundred dollars nor more than two hundred fifty dollars for each acre or fraction thereof of the area of land affected conditioned upon the faithful performance of the requirements set forth in this Chapter and of the rules and regulations of the Commission. In determining the amount of the bond within the above limits, the Division shall take into consideration the purpose for which the bond is required, the

character and future suitable use of the land involved, and the cost of reclamation to be required.

Section 5. Section 350.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) Under regulations adopted by the commission, an operator shall prepare and carry out a reclamation plan for the area of land affected by his operation. The plan shall be approved by the Division and may require the operator to:

(a) Cover the face of the coal, or clay and, where practicable, all toxic materials, roof coal, pyritic coal or shale determined by the Division to be acid-producing or creating a fire hazard;

(b) Seal off any break-through creating a hazard;

(c) Impound, drain or treat all runoff water so as to reduce soil erosion, damage to agricultural lands and pollution of streams and other waters;

(d) Remove or bury all metal, lumber and other refuse resulting from the operation;

(e) Grade the overburden, where practicable, and provide suitable vegetative cover;

(f) Cover all holes at the face that have been made by the auger mining operation.

(2) No operator shall throw, dump, pile or permit the dumping, piling, or throwing or otherwise placing any overburden, stones, rocks, coal, particles of coal, earth, soil, dirt, debris, trees, wood, logs, or any other materials or substances of any kind or nature upon or into any public roads, ways, or any other public property, public streams, ponds, lakes, or any other public surface or subterranean waters of the Commonwealth.

Section 6. Section 350.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this Chapter or who fails to perform the duties imposed by these sections, or fails or refuses to obtain a permit as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this Chapter, shall be liable to a civil penalty of not more than two hundred fifty dollars for said violation, and an additional civil penalty of not more than two hundred fifty dollars for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the attorney general.

(2) It shall be the duty of the attorney general, upon the request of the Director to bring an action for the recovery of the penalties

herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this Chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this Chapter.

(3) Any person who shall willfully violate any of the provisions of this Chapter, or any determination or order promulgated pursuant to the sections of this Chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than five hundred dollars and not more than one thousand five hundred dollars. Each day upon which such violation occurs shall constitute a separate offense.

Section 7. Sections 350.005 and 350.045 of the Kentucky Revised Statutes are repealed.

Section 8. Nothing in the foregoing sections of House Bill 401 shall be applicable to the mining of ball clay.

Senator Ware moved that the Senate adjourn until ten a. m., March 15. Agreed.

TUESDAY, MARCH 15, 1960

FIFTY-SEVENTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Derickson and C. S. Howard, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 14 dispensed with and the same approved on motion of Senator Ware.

Motions

Senator Kidwell moved the adoption of **SR 63.** Agreed.

SR 63, A RESOLUTION memorializing General Zachary Taylor.

WHEREAS the remains of General Zachary Taylor, the twelfth President of the United States, and his beloved wife, Margaret, lie entombed in a beautiful marble mausoleum in the Zachary Taylor National Cemetery on the outskirts of Louisville, Jefferson County, Kentucky surrounded by the graves of Veterans from the Spanish American War to the Wars of the present era; and

WHEREAS a small group of patriotic Kentuckians under the leadership of Mrs. C. D. Greer of Louisville as Chairman of the Zachary Taylor Memorial Committee of the Outdoor Art League of Louisville, in 1921, undertook the task of beautifying the Zachary Taylor Burial Grounds, and to make of them a fitting resting place for this beloved soldier in the fall of 1922. The first step toward the development of the project was undertaken by the planting of pin oaks, and on March 10, 1924 the Kentucky Legislature enacted a Bill which was signed by Governor William J. Fields, requiring the State of Kentucky to deed to Jefferson County that part of the Zachary Taylor Burial Grounds and road which had been deeded to the State in 1881 by Mr. George McCurdey, and on April 22, 1924 Jefferson County appropriated $10,000 for the building of a roadway leading to the burial grounds. In June of 1924, the Honorable Maurice Thatcher, Member of Congress from Louisville and Jefferson County introduced a Bill in the Congress calling for an annual appropriation for the maintenance of the grounds, the Bill was enacted by the Congress and signed by President Calvin Coolidge on February 24, 1925. Thus was established the Zachary Taylor National Shrine, and in 1926, the Kentucky Legislature enacted a Bill which was signed by Governor William J. Fields, appropriating funds for the purchase of fifteen acres of ground surrounding the Zachary Taylor Burial Grounds, which was promptly purchased and deeded to the United States Government for the establishment of the Zachary Taylor National Cemetery, and was so dedicated on May 31, 1928. The dedicatory address was delivered by the Honorable Maurice Thatcher, Member of Congress from the Third Congressional District of Kentucky, who began his address with these glowing words:

> "We are here today to dedicate this lovely mausoleum which shall hold through the indefinite future, all that remains of the sacred dust of that splendid Kentuckian, that great American, that splendid soldier and citizen, Zachary Taylor, the Twelfth President of the United States."; and

WHEREAS, General Zachary Taylor, affectionately called "Old Rough and Ready" by the Officers and Soldiers who served with him out of respect for his courageous and energetic leadership, was born on 24 November 1784, in Montebello, Orange County, Virginia, and a year later migrated with his family to Jefferson County, Kentucky, and thus truly became an early Kentucky pioneer. In 1806, General Zachary Taylor, volunteered for the Army which he served for forty years. When the war with England broke out in 1812, Taylor a Major was sent with fifty men to the defense of Fort Harrison on the Wabash River in Indiana, where on 4 of September 1812, Indians led by Tecumseh furiously attacked and after seven hours of hard fighting they were forced to flee in disorder. As a Colonel, Taylor in 1832 participated in the Black Hawk campaign, and for the defeat of the Seminoles in the Battle of Okeechobe in December 1837, he was brevetted Brigadier General, and in 1840, General Taylor was promoted to command the southern division of the western department of the Army. As Commander of the Army of the Rio Grande, General Taylor on 6 March 1846, was instructed to march to the Rio Grande, which was recognized by the United States as the southern boundary of Texas, but rejected by Mexico, and his first encounter with the Mexicans occurred on 8 May 1846 at Palo Alto, followed the next day by the battle of Resaca de la Paloma. General Taylor defeated the Mexicans in this and the war with Mexico was begun. On 21 September 1846, General Taylor marched on Monterey, the chief stronghold in Northern Mexico. General Ampudia, the Mexican commander, proposed surrender and terms were agreed on, then late in the autumn of 1846, General Santa Anna with a large army marched against General Taylor, who had taken a position near Buena Vista, on 22 February 1847. General Santa Anna made a demand upon General Taylor for surrender, which was promptly refused and battle ensued, and just before the battle, General Taylor addressed his troops, "Soldiers, I intend to stand here not only so long as a man remains, but so long as a piece of a man is left." By nightfall the Mexicans were fleeing in confusion. With a force one-fourth the size of the enemy, General Taylor had won his greatest victory and won the Mexican War. In 1848 General Taylor was elected President of the United States and was inaugurated on 5 March 1849. On 4 July

1850, President Taylor, while attending a ceremony connected with the building of the George Washington monument, became ill and died on 9 July 1850, and shortly thereafter he was brought to Kentucky and interred in the Taylor family burial ground, now the Zachary Taylor National Cemetery, neglected and almost forgotten by the Nation until the Outdoor Art League of Louisville in 1921 initiated their plan for the establishment of a Zachary Taylor National Shrine; and

WHEREAS the fifteen acres acquired by the State of Kentucky and deeded to the United States Government for the establishment of a Zachary Taylor National Shrine and Cemetery is now completely filled with the remains of service men and their families and sixty-three members of the Zachary Taylor family and two hundred slaves, and unless additional acreage is obtained the Cemetery will be permanently closed to service men and their families forever; and

WHEREAS the Zachary Taylor National Cemetery is an important link in the system of national military cemeteries in this country, and the closing of this Cemetery will create and cause great hardship to the families of countless number of veterans and service men desiring to be interred in Kentucky, especially in the Zachary Taylor National Cemetery; the National Cemetery should not only be enlarged for cemetery purposes but the home of Zachary Taylor "Springfield," adjacent to Zachary Taylor National Cemetery, should be acquired for a National Shrine and become a part of the Zachary Taylor National Cemetery thus making the Cemetery and the home a National Shrine; and

WHEREAS, "Springfield" the home of General Zachary Taylor for the first twenty-three years of his life, now 175 years old, built by General Taylor's father upon moving to Kentucky from Virginia, situated on Apache Road, in an excellent state of preservation, privately owned, the owners having indicated, as reported in an article appearing in the Louisville Courier-Journal on Sunday, 24 January 1960, that they would make the home available to the Government if assured it would become a part of a shrine, that this home stands near the old Taylor Burial Grounds and now the Zachary Taylor National Cemetery, and that Time Magazine reported recently that the National Park Service is considering a systematic survey to ensure that at least one residence for each president will be preserved; and

WHEREAS, it appears that the memory of the life and exploits of Kentucky's greatest military leader and the twelfth President of the United States is not well known to many of us and forgotten generally by the public, hence, it behooves us, in reverence and everlasting appreciation for the accomplishments of General Zachary Taylor, for his leadership and services in making a great contribution to this Nation, which greatly helped in the formation of our United States as we have it today, and that the acquirement of his old home, "Springfield" for a National Shrine and for the expansion of the Zachary Taylor National Cemetery, where he will be surrounded by honored Veterans of the Wars of the United States, will, indeed, be helpful and a fitting way of rendering a needed service to our service men and women and the Veterans of our armed forces, and in preserving the memory of General Zachary Taylor;

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

(1) That the foregoing resolution in respect to General and former President of the United States, the Honorable Zachary Taylor, that the Congress of the United States of America be, and it hereby is memorialized to consider appropriate legislation to acquire "Springfield" the former home of General Zachary Taylor and to acquire additional acreage for the expansion of the Cemetery.

(2) That a Bill has been introduced in the House of Representatives by the Honorable Frank W. Burke, Member of Congress from the Third Congressional District of Kentucky, and one in the United States Senate by the Honorable John Sherman Cooper, United States Senator from Kentucky, seeking expansion of the Zachary Taylor National Cemetery, assuring its expansion and permanent existence as a cemetery and shrine.

(3) That the Clerk of the Senate be directed to forward a copy of this Resolution to the Governor of the Commonwealth of Kentucky, Speaker of the House of Representatives, Kentucky Members of the United States Congress, the Chairmen of the House Military Affairs and Veterans Affairs Committee of the United States Congress, a copy to the Secretary of Defense, Secretary of the Army, and the Secretary of the Interior, urgently soliciting their support in the accomplishment of the purpose of this Resolution—the acquisition of "Springfield" and additional acreage for the expansion of Zachary Taylor National Cemetery.

Senator Kelly moved the adoption of **SR 64**. Agreed.

SR 64, A RESOLUTION commemorating the expiration of the terms of certain Senators.

WHEREAS, the 1960 Regular Session of the General Assembly of the Commonwealth of Kentucky is drawing to a close; and

WHEREAS, the present session is the last Regular Session that will be held during the term of office of certain Senators; and

WHEREAS, these Senators have rendered distinguished service to the Commonwealth of Kentucky and to their constituents in the best tradition of past Senators, and in a manner which will be an example for each future Senator; and

WHEREAS, it is only fitting for the Senate to take this opportunity to commemorate the expiration of the terms of these Senators;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That honorable mention be made of the services of the Senators whose terms of office expire before the next Regular Session of the General Assembly; those Senators being Senator Strother Melton of McCracken County, Senator J. Murray Blue of Webster County, Senator Frank H. Bassett, Jr. of Christian County, Senator E. W. Richmond of Daviess County, Senator Ulysses G. Byers of Butler County, Senator Clyde S. Howard of Hardin County, Senator Broadus E. Hickerson of Marion County, Senator Sam R. Hubbard of Russell County, Senator Cabell D. Francis of Lincoln County, Senator James R. Hamilton of Scott County, Senator E. Paul Jackson of Woodford County, Senator James C. Ware of Kenton County, Senator Alvin Kidwell of Gallatin County, Senator Herbert T. Derickson of Powell County, Senator H. Stanley Blake of Nicholas County, Senator Pauline B. Davis of Carter County, Senator Charles M. Davis of Breathitt County, Senator Scott Miller, Jr., of Jefferson County, and Senator Gates F. Young of Jefferson County.

Section 2. That each of the Senators named above be presented with a copy of this Resolution.

The President announced the following committee regarding **SR 64:** Senators Logan, Kidwell, Blake, Melton and D. W. Howard, with Senator Logan acting as Chairman of the committee.

Report of Rules Committee

Rules Committee reported **HB 321**, **HB 320**, **HB 351**, **HB 287**, **HB 481** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 321, AN ACT relating to the Commission on Alcoholism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The members of the Commission on Alcoholism shall not receive any salary, but they shall be reimbursed for any expenses incurred in the performance of their duties by members of the Commission or their designated representatives which may include travel to and attendance of schools or conferences in other states on the subject of alcoholism.

HB 320, AN ACT relating to alcoholism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 222.150 of the Kentucky Revised Statutes is amended to read as follows:

(1) At the time fixed, the Court shall hear evidence on said petition, with or without the presence of the alleged alcoholic, and all persons interested shall have the right to appear and present evidence concerning the truth and correctness of the allegations of the petition.

(2) The court, in its discretion, may require that the alleged alcoholic be examined by the county health officer or by such other competent physician or physicians as the court may select, and may consider the results of such examination in reaching a decision. The physician, unless he is the county health officer shall receive ten dollars for each examination, to be paid by the county in which the commitment is made.

(3) If the alleged alcoholic shall admit the truth and correctness of the allegations of the petition, or if the court shall find from the evidence that such person is an alcoholic and is in need of detention, care and treatment in an institution, he shall enter an order so finding and shall order that such person be remanded and committed to and confined in the proper state hospital with facilities for treatment of alcoholics to be designated by the Commissioner of Mental Health for care and treatment for a period not to exceed six months.

Section 2. Section 222.160 of the Kentucky Revised Statutes is amended to read as follows:

When such person shall be so committed, the staff of the hospital shall be vested with full discretion as to the treatment and discharge of such person, and may discharge and release such person at any time when the condition of such person shall so justify but in no event shall such person be confined for a period of longer than six months.

Section 3. Section 222.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) When any person is committed under KRS 222.150 the court shall at once notify the hospital that such an order has been made and shall designate a competent attendant to convey the person to the institution.

(2) The county from which such person is committed shall pay the cost of transportation for the patient and the attendant.

HB 351, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any person between eighteen and twenty-one years of age who attempts to purchase, purchases or possesses any alcoholic beverage shall be fined not less than ten nor more than one hundred dollars.

Section 2. Any person other than a licensee who purchases for or delivers any alcoholic beverage to a person under twenty-one years of age shall be fined not less than twenty-five nor more than one hundred dollars.

HB 287, AN ACT relating to city classification.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the city of Taylor Mill, in Kenton County, is such as to justify its being classed as a city of the fifth class;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of Taylor Mill, in Kenton County, is transferred from the sixth to the fifth class of cities.

HB 481, AN ACT relating to public improvements in cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

A city of the first class may provide for the making and financing of any public improvement as provided in KRS 94.292 to 94.325.

Section 2. Section 94.291 of the Kentucky Revised Statutes is amended to read as follows:

KRS 94.291 to 94.325 provide for the making and financing of public improvements in cities of all classes. However, these sections are not intended to affect the provisions of KRS 94.160 and 94.170, providing an alternate plan for the acquisition and operation of sewerage systems, nor are they intended to affect the provisions of KRS 94.500 to 94.540, relating to the oiling of public ways, or the provisions of KRS 177.041 to 177.047.

Calendar

HB 366, HB 446, HB 100, SB 283, HB 511, HB 231, HB 450, HB 442, HB 370, SB 218, HB 108, HB 398, HB 37, HB 434, HB 422, HB 429, HB 466, HB 449, HB 282, SB 282, SB 284, SB 249, HB 495, HB 502, HB 401 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 280 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 280.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Hamilton, Hehl, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, Young. Nays 0. **SB 280** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 280** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 197 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 197.** Agreed.

On the roll call, the vote was: Yeas 19—Bishop, Brand, Blue, Craft, C. H. Davis, Mrs. J. Harry Davis, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Johnson, Martin, Melton, Overbey, Raney, Ware, White. Nays 16—Bassett, Blake, Bonn, Byers, Conley, Duffy, Duncan, Hamilton, Jackson, Kelly, Kinkead Logan, McCann, Miller, Richmond, Young. **SB 197** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 197** was passed be reconsidered and said motion be laid on the table. Agreed.

Recess

Senator Ware moved that the Senate do now recess until one fifteen p. m. Agreed. At the appointed hour, the President called the Senate to order.

SB 267 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Martin moved the Previous Question on **SB 267.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 267** was passed and the title agreed to.

Senator Martin moved that the vote by which **SB 267** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 277 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **SB 277.** Agreed.

On the roll call, the vote was: Yeas 10—Bonn, Craft, Duffy, Francis, Garnett, Hickerson, Kinkead, McCann, Melton, Ware. Nays 19—Bassett, Bishop, Blake, Byers, C. H. Davis, Mrs. J. Harry Davis, Duncan, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Logan, Miller, Raney, Richmond, White, Young. **SB 277** was defeated.

Senator Duffy moved that the vote by which **SB 277** was lost be reconsidered and said motion be laid on the table. Agreed.

HB 309 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 309.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 309** was passed and the title agreed to.

Title Amendment to **HB 309,** by Senator Richmond, who moved the adoption.

Said Title Amendment to **HB 309** is as follows:

"Amend printed copy of **HB 309,** on page 1, by amending the title thereof by changing the period after the word "construction" to a comma and adding the following: "and to be known as the Combs Act."

Said motion to amend title was lost on a standing vote.

Senator Ware moved that the vote by which **HB 309** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 243 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator McCann moved the Previous Question on **SB 243.** Agreed.

On the roll call, the vote was: Yeas 19—Blake, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Hamilton, Jackson, Johnson, Logan, Martin, McCann, Raney, Richmond, Ware, White, Young. Nays 6—Bishop, Duncan, Francis, Garnett, Kinkead, Miller. **SB 243** was passed and the title agreed to.

Senator McCann moved that the vote by which **SB 243** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 157 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 157**, by Senator Bonn, who moved the adoption. Agreed.

Said Amendment #1 to **SB 157** is as follows:

Amend printed copy of **SB 157** on page 1, section 1, line 3 so that line 1 reads as follows:

"(1) Any person who buys and uses any liquid fuel for the"

Amendment #2 to **SB 157**, by Senator Bonn, who moved the adoption. Agreed.

Said Amendment #2 to **SB 157** is as follows:

Amend printed copy of **SB 157** on page 1, section 1, line 5 so that line 5 reads as follows:

"bursed and repaid ninety percent of the tax paid by him pursuant"

Amendment #3 to **SB 157**, by Senator Bonn, who moved the adoption. Agreed.

Said Amendment #3 to **SB 157** is as follows:

Amend printed copy of **SB 157** on page 2, section 2, line 13 by adding a new section after line 13 as follows:

Section 3. Refunds shall be made only on gasoline purchased from locations designated by the Department of Revenue.

Amendment #4 to **SB 157**, by Senator Bonn, who moved the adoption. Agreed.

Said Amendment #4 to **SB 157** is as follows:

Amend printed copy of **SB 157** on page 1, section 1, line 13 to delete lines 13 through 17½ and substitute in lieu thereof the following:

(2) (a) When liquid fuel on which the tax has been paid pursuant to the provisions of KRS 138.210 to 138.340 has been used for the purpose of operating any motor boat and was delivered directly to the fuel tanks installed in or attached to the motor boat, the purchaser of the liquid fuel so used shall be reimbursed to the extent of ninety percent of the tax paid. No tax shall be refunded except that paid upon such fuel used exclusively in motor boat motors.

(b) No person shall be entitled to a refund hereunder unless he shall have first filed with the Department of Revenue a bond with approved surety in the amount of not less than one hundred dollars nor more than one thousand dollars to be determined by the Department of Revenue and upon the payment to the Commonwealth of any refunds to which he was not entitled.

Senator Bonn moved the Previous Question on **SB 157**, as amended. Agreed.

On roll call, the vote was: Yeas 21—Bassett, Blue, Bonn, Byers, Conley, Craft, Mrs. J. Harry Davis, Duffy, Duncan, Garnett, Hamilton, D. W. Howard, Hubbard, Martin, McCann, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 4—Bishop, Francis, Jackson, Logan. **SB 157** was passed and the title agreed to.

Senator Bonn moved that the vote by which **SB 157** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 68 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator D. W. Howard moved the Previous Question on **SB 68.** Agreed.

On roll call, the vote was: Yeas 27—Bassett, Bishop, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duncan, Francis, Hamilton, D. W. Howard, Hubbard, Jackson, Kinkead, Logan, Martin, McCann, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Duffy. **SB 68** was passed and the title agreed to.

Senator D. W. Howard moved that the vote by which **SB 68** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 373 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kidwell moved the Previous Question on **HB 373.** Agreed.

On roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Hamilton, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 373** was passed and the title agreed to.

SB 162 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 162,** by Senator Francis who moved the adoption. Agreed.

Said Amendment #1 to **SB 162** is as follows:

"Amend printed copy of **SB 162** on page 6, section 9, lines 1 through 6, by deleting Section 9 in its entirety."

Senator Johnson moved the Previous Question on **SB 162**, as amended. Agreed.

On roll call, the vote was: Yeas 31—Bassett, Blake, Brand, Blue, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 162** was passed and the title agreed to.

Senator Johnson moved that the vote by which **SB 162** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 413 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **HB 413**. Agreed.

On roll call, the vote was: Yeas 27—Bassett, Brand, Blue, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Hamilton, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 413** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 413** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 354, HB 390, HB 460, HB 467, HB 499, HB 504, HB 516, HB 517, HB 518, HB 519, HB 520, HB 521, HB 522, HB 523, HB 529, HB 531, HR 80, HR 121, HR 123**, and returning **HB 109** to the Senate with Senate Amendment, in which the House refused to concur.

HB 330 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only.

Senator Duffy moved the Previous Question on **HB 330**. Agreed.

On roll call, the vote was: Yeas 22—Bassett, Blake, Brand, Bonn, Conley, Craft, Derickson, Duffy, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Richmond, Ware. Nays 2—C. H. Davis, Duncan. **HB 330** was passed and the title agreed to.

Senator Duffy moved that the vote by which **HB 330** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 124 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 124.** Agreed.

On roll call, the vote was: Yeas 28—Bassett, Bishop, Blake, Brand, Bonn, Conley, C. H. Davis Mrs. J. Harry Davis, Duffy, Francis, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 0. **HB 124** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 124** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 181 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 181.** Agreed.

On roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hubbard, Jackson, Kelly, Kidwell, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 181** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 181** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 268 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 268.** Agreed.

On the roll call, the vote was: Yeas 16—Brand, Blue, Conley, Craft, Duffy, Francis, Garnett, Hamilton, Hehl, Jackson, Logan, McCann, Melton, Raney, Richmond, Ware. Nays 11—Bassett, Bishop, Blake, Bonn, Byers, C. H. Davis, Derickson, Duncan, Hickerson, Johnson, Miller. **HB 268** was passed and the title agreed to.

Senator Duffy moved that the vote by which **HB 268** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 464 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **HB 464.** Agreed.

On roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White. Nays 0. **HB 464** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 464** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 209 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 209**. Agreed.

On roll call, the vote was: Yeas 31—Bishop, Blake, Brand, Blue, Bonn, Byers, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 0. **HB 209** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 209** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 250 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 250**, by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 250** is as follows:

Amend printed copy of **HB 250** on page 3, section 1, line 19, by deleting the word "includes" and substituting in lieu thereof the word "means", and, on page 3, section 1, by adding the following new subsection after subsection (4) ending on line 26:

(5) "Highway or highways" as used in this Act means limited access highway, interstate highway, or turnpike as defined in this Act, and on page 5, section 4, by adding the following new subsection after subsection (3) ending on line 19:

(4) Advertising devices which otherwise comply with the applicable zoning ordinances and regulations of any county or city, and which are to be located in a commercially or industrially developed area, in which the Commissioner of Highways determines, in exercise of his sound discretion, that the location of such advertising devices is compatible with the safety and convenience of the traveling public.

Senator Ware moved the Previous Question on **HB 250**, as amended. Agreed.

On roll call, the vote was: Yeas 22—Blue, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Raney, Ware. Nays 11—Bassett, Bishop, Bonn, Byers, Duncan, Hamilton, Hehl, Johnson, McCann, Miller, Richmond. **HB 250** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 250** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 319, HB 301, HB 275, HB 274, HB 264, HB 193, HB 184, HB 179** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 383 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 383,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 383** is as follows:

Amend printed copy of **HB 383** on page 3, section 3, line 3 by striking the period at the end of Line 3 and adding: "and $10,000 for the remainder of fiscal year 1959-1960."

Amendment #2 to **HB 383,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #2 to **HB 383** is as follows:

Amend printed copy of **HB 383** on page 3 by adding a new section to read as follows:

"Section 4. Whereas, a major portion of the appropriations from the General Fund are made to support public education, and findings of the 1960 General Assembly make it imperative that the commission provided for in this Act commence its activities at the earliest possible date, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor."

Senator Ware moved the Previous Question on **HB 383,** as amended. Agreed.

On roll call, the vote was: Yeas 27—Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, D. W. Howard, Hubbard, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware, White. Nays 5—Bassett, Byers, Hamilton, Overbey, Richmond. **HB 383** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 383** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Ware moved that when we adjourn today we adjourn to meet again at ten a.m., March 16. Agreed.

Recess

Senator Ware moved that the Senate recess for the purpose of having a Committee Meeting. Agreed.

The President resumes the Chair.

Senator Ware moved suspension of the Rules for the purpose of making Committee Report.

Report of Rules Committee

Rules Committee reported **HB 521, HB 520, HB 518, HB 529, HB 523, HB 354, HB 344, HB 385, HB 356, HB 517, HB 348, HB 476, HB 472, HB 376, HB 332, HB 357, HB 127, HB 288** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 521, AN ACT relating to textbook adoptions and purchases and the listing and purchase of textbooks for pupils with impaired vision.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) This Act accords the same rights and privileges to the Model and Practice Schools of the Morehead State College, the Eastern Kentucky State College, the Western Kentucky State College, the Murray State College, the Kentucky State College, and the University of Kentucky that are granted to the county and independent school districts as to textbook adoptions and purchases. The Board of Regents of the five State Colleges and the Board of Trustees of the University of Kentucky, upon the recommendations of their Presidents, may make textbook adoptions from the State Multiple List of Textbooks, as approved and listed by the State Textbook Commission. All regulations of the State Board of Education and the statutory laws, which are applicable to textbook adoptions by the county and independent school districts, shall apply to textbook adoptions for the Model and Practice Schools.

(2) The Superintendent of Public Instruction, subject to the approval of the State Board of Education, shall purchase from the publishers whose books have been adopted for use in the Model and Practice Schools and distribute them without cost to the pupils enrolled in grades one through eight. All regulations of the State

Board of Education and statutory laws, which are applicable to the purchase and distribution of free textbooks for and to the pupils attending the free public schools in the county and independent school districts in grades one through eight, shall apply to the purchase and distribution of free textbooks for and to the pupils attending the Model and Practice Schools in grades ones through eight.

Section 2. (1) The State Board of Education, upon the recommendation of the Superintendent of Public Instruction, shall have the authority to prescribe the conditions whereby a school district may make multiple textbook adoptions for the different school subjects by grades. The school district shall make application to the Superintendent of Public Instruction for permission to make multiple textbook adoptions. The Superintendent of Public Instruction shall make or have made an adequate study to evaluate the district's conditions. If in his judgment the prevailing conditions within the school district warrant multiple textbook adoptions, the State Board of Education, upon the recommendation of the Superintendent of Public Instruction, may grant the school district permission to make such textbook adoptions from the State Multiple List of Textbooks as approved and listed by the State Textbook Commission.

(2) The State Board of Education, upon the recommendation of the Superintendent of Public Instruction, shall have the authority to prescribe the rules and regulations to govern the purchase of the multiple-adopted textbooks for the school district. The Superintendent of Public Instruction, subject to the approval of the State Board of Education, may purchase the textbooks from the publishers whose books have been adopted by the school district for grades one through eight and distribute them without cost to the pupils attending the free public schools in the school district.

Section 3. The State Board of Education, upon the recommendation of the Superintendent of Public Instruction, may select and approve a list of suitable textbooks and other materials printed in clear type of 18 to 24 points in the different subject areas for children with impaired vision who are attending the free public schools of the Commonwealth of Kentucky in grades one through twelve. The listing of such textbooks and materials shall not be subject to the official textbook bids, filing fees, textbook sampling, and the stipulated list prices, lowest wholesale prices, exchange prices, and the standards and specifications required for the textbooks approved and listed by the State Textbook Commission for regular use by the pupils attending the free public schools of the State of Kentucky. The State Board of Education, upon the recommendation of the Superintendent of Public Instruction, shall have the authority to prescribe rules and regulations for determining the pupils eligible for such books, the number of books to be purchased, and the general administration of the program. The Superintendent of Public Instruction, subject to the approval of the State Board of Education, may purchase these books from the approved State List of Books from the publishers whose books have been listed by the State Board of Education and distribute them without cost to the pupils with impaired vision attending the free public schools of the State. All textbooks purchased under this Act for the pupils with impaired vision are the property of the State.

HB 520, AN ACT relating to electric revenue bonds and other obligations issued by the Tennessee Valley Authority and declaring them to be authorized investments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 386.040 of the Kentucky Revised Statutes is amended to read as follows:

Notes or bonds secured by mortgage or trust deed insured and debentures issued by the Federal Housing Administrator, debentures issued by National Mortgage Associations, and any electric revenue bonds or other obligations issued by the Tennessee Valley Authority, are eligible securities for the purpose, wherever the statutes of this state require, of:

(1) Collateral as security for the deposit of public or other funds;

(2) Deposits to be made with any public official or department;

(3) Investment of capital or surplus; or

(4) A reserve or other fund to be maintained consisting of designated securities.

Section 2. Section 386.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) This state and all public officers, cities, political subdivisions and public bodies, all banks, trust companies, savings institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, and other persons carrying on an insurance business and all fiduciaries may legally invest any sinking funds, monies or other funds belonging to them or within their control in any bonds or other obligations issued by a housing commission pursuant to the Municipal Housing Commission Act or the Rural Housing Commission Act, and any additional amendments thereto, or issued by any public housing authority or agency in the United States, when these bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States or any agency thereof, or in any electric revenue bonds or other obligations issued by the Tennessee Valley Authority.

(2) These bonds and other obligations shall be authorized security for all public deposits and shall be fully negotiable in this state.

(3) Nothing in this section with regard to legal investments shall relieve any individual or corporation from any duty of exercising reasonable care in selecting securities.

(4) Any county, municipality or other taxing district may legally invest its sinking funds, money or other funds belonging to it or within its control in United States Defense Bonds or any other bonds or obligations for the payment of which the faith and credit of the United States Government is pledged.

HB 518, AN ACT relating to the Board of Trustees of the University of Kentucky, amending Sections 164.130 and 164.170 of the Kentucky Revised Statutes, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 164.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The government of the University of Kentucky is vested in a Board of Trustees consisting of the Governor, who shall be Chairman of the Board, the Superintendent of Public Instruction, the Commissioner of Agriculture, Labor and Statistics, twelve competent citizens of Kentucky appointed by the Governor, and two non-voting members of the teaching faculty of the University of Kentucky. The terms of appointed members shall be for four years and until their successors are appointed and qualify. Three of the twelve appointed members shall be appointed each year. Three of the appointed members shall be representative of agricultural interests, three shall be alumni of the University and six shall be other distinguished citizens of the state representative of the learned professions. The Governor shall so make the appointments as to divide the representation upon the board, including the ex officio members, as nearly equally as possible between the two leading political parties of this state. Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for original appointments.

(2) The non-voting faculty members shall be teaching or research members of the faculty of the University of Kentucky of the rank of assistant professor or above. They shall be elected by secret ballot by all faculty members of the University of the rank of assistant professor and above. Faculty members shall serve for terms of three years and until their successors are elected and qualify, except that of the first two members elected one shall serve for a term of two years and one for a term of three years. Faculty members shall be eligible for re-election, but they shall be ineligible to continue to serve as members of the Board of Trustees if they cease to be members of the teaching staff of the University. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

(3) No member of the Board of Trustees shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment or services, with exception of compensation to the two faculty members.

Section 2. Section 164.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Board of Trustees of the University shall meet on Tuesday preceding the regular annual commencement of the University, on the third Tuesday in September, on the second Tuesday in December, and on the first Tuesday in April of each year. Special meetings may be called by the Chairman or by any three members upon giving ten days' written notice to each member of the Board of Trustees. The business to be transacted at special meetings shall be specified in the notice of the meeting. All meetings shall be held on the campus of the University unless otherwise specified by a majority vote of the Board of Trustees. A majority of the voting members of the Board of Trustees shall constitute a quorum. All necessary expenses incurred by the trustees in going to, returning from and while attending meetings of the Board of Trustees shall be paid out of the funds of the University.

(2) The meetings of the Board of Trustees shall be open to the public. The Board of Trustees shall cause a stenographic transcript of each of its meetings to be prepared and filed. An agenda for each of the meetings shall be sent to each member of the Board of Trustees and a copy thereof made available to the press.

Section 3. An emergency is hereby declared to exist and this Act shall become effective when passed and approved.

HB 529, AN ACT relating to bonds of state officers and employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 62.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner of Finance shall secure, except for state officers required by KRS 62.160 to file bond, blanket bonds, with or without cosureties, written on a blanket position form, to cover all other officers, employes or deputies of the Commonwealth of Kentucky, including all other members of boards or commissions or employes of such boards or commissions, and including all superintendents, receivers or employes of penal or eleemosynary institutions managed or directed by the Department of Welfare or any other department or agency of the Commonwealth of Kentucky. Nothing in this paragraph shall be deemed to prohibit the securing of any such blanket position bond on a departmental, board, commission, agency or institutional basis.

(2) The Commissioner of Finance may secure one or more excess blanket bonds, with or without cosureties, to cover selected groups of persons covered by the bond or bonds required in the preceding paragraph to provide additional coverage which he may deem necessary by the exposures indicated in accordance with the duties and responsibilities indicated by the personnel classification schedules of the Division of Personnel Efficiency and in accordance with the amounts of money and property handled by the respective officers and employes.

(3) Such bond or bonds shall be written by and participated in only by insurance companies licensed by the Department of Insurance to do business in this state and shall be countersigned by a duly authorized licensed resident agent of the company. Such bonds may be written with or without cosureties. Further, such bonds are to be a percentage of the total risks, the Department of Insurance to approve the amount of the risk written by any one company.

(4) The penal amount of the bond secured pursuant to this section shall be fixed by the Commissioner of Finance in accordance with the duties and responsibilities indicated by the personnel classification schedules of the Division of Personnel Efficiency, and in accordance with the amounts of money and property handled by the respective officers and employes.

HB 523, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 56.100 of the Kentucky Revised Statutes is amended to read as follows:

Each fiscal year the State Treasurer shall deduct from any funds in his hands payable to an agency for the care and maintenance of public buildings or property, an amount equal to the premiums certified to him as chargeable against that agency. The amount so debited shall be credited to an account kept by the State Treasurer and known as the State Fire and Tornado Insurance Fund. No premium shall be charged on any one subject of risk upon a valuation of more than three hundred thousand dollars unless the Department of Insurance has contracted for reinsurance that limits the liability of the fund to three hundred thousand dollars upon such subject of risk.

Section 2. Section 56.120 of the Kentucky Revised Statutes is amended to read as follows:

When the amount of damage has been determined, the State Treasurer shall debit the account of the State Fire and Tornado Insurance Fund by that amount and credit with an equal amount the account of the agency that has control or custody of the property damaged, and upon warrant from the Department of Finance the Treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If the agency deems it impracticable or undesirable to use the money for repair, reconstruction or replacement of the property damaged or destroyed, it may, with the approval of the Department of Finance, and subject to the provisions of KRS 56.490, expend said funds for the acquisition, repair, construction or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one subject of risk, by any one loss, shall be in excess of three hundred thousand dollars, unless the Department of Insurance has effected reinsurance upon the subject of risk such as to the limit of liability of the State Fire and Tornado Insurance Fund to three hundred thousand dollars, and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 3. Section 56.160 of the Kentucky Revised Statutes is amended to read as follows:

With the approval of the Department of Finance, the Department of Insurance may contract with any responsible fire and tornado insurance or reinsurance company authorized to do business in Kentucky to reinsure any subject of risk of which the total valuation has been fixed at over three hundred thousand dollars in such a way as to limit the net liability of the State Fire and Tornado Insurance Fund with respect to such subject of risk to three hundred thousand dollars. The premium for reinsurance shall be paid out of the State Fire and Tornado Insurance Fund, on warrant of the Department of Finance.

HB 354, AN ACT relating to circuit clerks' fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Circuit clerks shall be paid out of the State Treasury for the following services the following fees:

Certified list of grand or petit jurors to the sheriff or other officer	$ 0.25
Filing same when returned by sheriff, and writing names of jurors on slips of paper	.25
Order excusing juror, for each juror excused, except regular panel	.25
Noting names of standing jurors on order book	.25
Order for sheriff or other officer to summon other jurors, each order	.10
Noting on order book the allowance to grand or petit jurors, each	.02

Order appointing and swearing jury commissioners	.25
Furnishing to jury commissioners names of persons exempted from service	.25
Recording receipt of envelope of sealed return of jury commissioner, and the oath of clerk and deputy	.25
In Commonwealth cases, in addition to other fees, ten percent of all fines and forfeitures recovered in their respective courts and paid into the State Treasury.	
In inquests on persons alleged to be feeble-minded, lunatics or pauper idiots	10.00

(2) (a) Circuit clerks shall be paid ten dollars out of the State Treasury for services rendered for the Commonwealth in each prosecution for felony in their respective courts, except those in which the defendant is convicted only of a misdeameanor. A verified statement of such services must first be made out by the clerk and endorsed "Examined and approved" by the regular judge and Commonwealth's attorney, and filed with the Department of Finance after the case has been taken from the docket of the court. In all cases of conviction for a felony the fee of ten dollars herein allowed shall be taxed against the defendant as costs in favor of the Commonwealth.

(b) If a felony indictment is quashed or dismissed with leave granted to resubmit the charge to a grand jury, and a subsequent indictment is returned for the same crime, or any degree thereof consisting of a felony, the prosecution shall be deemed a continuous one for the purposes expressed in this subsection; but if no indictment is procured or returned upon resubmission, before the expiration of the term after the term reciting the order of resubmission, the clerk may claim and have his fee paid immediately.

(3) When the Commonwealth appeals from a judgment in a felony case, the circuit clerk shall be paid ten dollars, in the same manner stated in subsection (2) (a) of this section, for making out and certifying a transcript for the appeal.

HB 344, AN ACT relating to jailer's fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.150 of the Kentucky Revised Statutes is amended to read as follows:

(1) Jailers shall be paid out of the county treasury, except as provided in subsection (2) of this section, the following fees for the following services:

Attending county and quarterly court per day not exceeding	$6.00
Furnishing fuel and lights to county and quarterly court, except	

as provided in KRS 67.150, a reasonable compensation, not exceeding, per day $2.00.

Putting a prisoner in irons, for an offense other than a felony or contempt besides the cost of irons ---------------------------------.50

Keeping and dieting prisoners in jail, in counties not containing a city of the first class, when confined for an offense other than a felony or contempt of court, per day ------------------------$2.00

Keeping and dieting prisoners in jail, in counties containing a city of the first class, when confined for an offense other than a felony or contempt of court, per day ----------------$2.50

Imprisoning and releasing a prisoner charged with a misdemeanor ------------.75

(2) Where the prisoner is confined for a breach of the by-laws or ordinances of a city, or for a violation of a statute where the city gets the benefit of the fine, the fees for keeping and dieting the prisoner and for imprisoning and releasing him shall be paid by such city.

(3) Jailers shall be paid out of the State Treasury the following fees for the following services:

Imprisoning and releasing a prisoner charged with a felony or contempt ------------.75

Keeping and dieting a prisoner charged with a felony or contempt, in counties not containing a city of the first class, per day--$2.00

Keeping and dieting a prisoner charged with a felony or contempt, in counties containing a city of the first class, per day ----$2.50

Putting a prisoner charged with a felony or contempt in irons, to secure his safekeeping in the jail, besides the cost of the irons --.50

Each day's attendance upon the circuit court --------------$6.00

Furnishing fuel, light and water to the circuit court, not exceeding, per day ------------$2.00

(4) For all other services performed by the jailer, he shall receive the same fees paid to sheriffs for like services.

HB 385, AN ACT relating to construction of National Guard Armories, and appropriating money therefor.

WHEREAS, certain funds, not exceeding $571,000, were appropriated to the Governor's Special Emergency Fund, by the 1956 General Assembly, and earmarked for construction of National Guard Armories;

WHEREAS, the unexpended portion of such funds were reappropriated to the Capital Construction Fund by the 1958 General Assembly (1958 Acts, Ch. 24) for such use during the fiscal years beginning on July 1, 1958 and expiring on June 30, 1960;

WHEREAS, approximately $259,800 of this fund will be unexpended on June 30, 1960; and

WHEREAS, an additional appropriation is needed for matching federal funds when made available, for completion of the construction program as now approved by the Federal Government;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 36.082 of the Kentucky Revised Statutes is amended to read as follows:

(1) This section may be cited as the National Guard Armory Construction Act.

(2) The purpose of this Section is to provide funds for the construction of National Guard Armories at the following locations: Middlesboro, Barbourville, Louisville, Bardstown, Glasgow, Hopkinsville, Monticello, Campbellsville and Marion, and such other locations at which National Guard units may be established.

(3) As used in this section, unless the context otherwise requires:

(a) "Armory" means a structure in which to house, administer, train, and equip a unit or units of the Kentucky National Guard and all appurtenances necessary thereto.

(b) "Federal funds" means funds provided by the Congress of the United States through the enactment of public law for the construction of National Guard armories in the several states.

(4) To carry out the purposes of this section, funds in the approximate amounts of $259,800 appropriated to the Capital Construction Fund by Chapter 24 of the 1958 Acts of the General Assembly, construction of National Guard armories, or any amount thereof, unexpended at the end of the 1959-1960 fiscal year shall not lapse but shall remain available for expenditure for purposes of this section during the fiscal years beginning July 1, 1960 and expiring on June 30, 1962. The additional sum of $147,168 is hereby appropriated to the Capital Construction Fund to be earmarked for use in the completion of the program set out in subsection (2) of this section.

HB 356, AN ACT relating to commitment for treatment of alcoholism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 222.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) Proceedings for the commitment, care, and treatment of any person alleged to be an alcoholic may be instituted by such person's husband, wife, child, mother, father, or by the county health officer of the county in which the person resides by filing

with the clerk of the circuit court or with the clerk of the county court a petition for the trial and commitment of such person.

(2) Said petition shall allege that such person is an alcoholic, is a resident of the county in which the proceeding is initiated, and because of his alcoholism is incapable of or unfit to look after and conduct his affairs, or is dangerous to himself or others, or has lost his power of self-control because of periodic, constant or frequent use of alcoholic beverages, and that he is in need of care and treatment, and that his detention, care and treatment at an institution will improve his health.

(3) The clerk of court who files the petition shall receive a fee of ten dollars, which shall be paid by the petitioner at the time the petition is filed.

Section 2. Section 222.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any resident of the Commonwealth of Kentucky may apply for treatment for alcoholism by filing a written application with the clerk of the circuit court or with the clerk of the county court of the county in which he resides, and paying the clerk a fee of ten dollars. Any such application shall be supported by a medical statement, made by a licensed physician, stating that in the opinion of the physician the applicant is an alcoholic and that the applicant is mentally competent to make such application.

(2) Upon receipt of such application and fee by the clerk he shall refer the application to the proper court, and the court shall have the authority to order and direct treatment of the applicant as in KRS 222.150.

(3) Any applicant, committed under this section, having an estate which can be subject to debt, shall pay the cost of his own transportation and that of any attendant ordered by the court to accompany him to the institution to which he is ordered.

HB 517, AN ACT relating to insurance on school motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.310 of the Kentucky Revised Statutes is amended to read as follows:

Each board of education may set aside funds to provide for liability and indemnity insurance against the negligence of the drivers or operators of school busses, other motor vehicles, and mobile equipment owned or operated by the board. If the transportation of pupils is let out under contract, the contract shall require the contractor to carry indemnity or liability insurance against negligence in such amount as the board designates. In either case the indemnity bond or insurance policy shall be issued by some surety or insurance company authorized to transact business in this State, and shall bind the company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any school child or death or injury of any school child or other person.

HB 348, AN ACT relating to Motor Fuel Tax on Liquefied Petroleum Gas When Used as a Motor Fuel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 138.560 of the Kentucky Revised Statutes is amended to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Department" means the "Department of Revenue";

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause prescribing and imposing imprisonment the term "Person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof;

(3) "Taxable special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210, and Liquefied Petroleum Gas as defined in KRS 234.100;

(4) "Motor vehicle" means any vehicle, machine or mechnical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semi-trailer attached to or having its front end supported by such motor vehicle;

(5) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel, notwithstanding that they may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair, or reconstruction;

(6) "Special fuels dealer" means any person who imports or causes to be imported into this state for resale or use, or any person making sales in this state, of special fuels for resale or use in this state by a licensed special fuels user-seller;

(7) "Special fuels user-seller" means any person, not licensed as a special fuels dealer, who dispenses special fuels into the fuel tanks of, or attached to, motor vehicles for the propulsion of such motor vehicles on the public highways, and shall include any such person who so dispenses special fuels for consumption in such motor vehicles owned, leased, or operated by him.

Section 2. A new section of the Kentucky Statutes is enacted to read as follows:

As used in this act, unless the context requires otherwise:

(1) "Department" means the Department of Revenue;

(2) "Person" includes every natural person, fiduciary, association, state, or political subdivision, or corporation. Whenever used in any clause prescribing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof;

(3) "Liquefied Petroleum Gas Motor Fuel" means and includes all combustible gases and liquids as described in KRS 234.100 used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways.

(4) "Motor Vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semi-trailer attached to or having its front end supported by such motor vehicle;

(5) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel, notwithstanding that they may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction;

(6) "Liquefied Petroleum Gas Motor Fuel Dealer" means any person who imports or causes to be imported into this state for resale or use, or any person making sales in this state, of liquefied petroleum gas motor fuel for resale or use in this state by a licensed liquefied petroleum gas motor fuel user-seller;

(7) "Liquefied Petroleum Gas Motor Fuel User-Seller" means any person, not licensed as a liquefied petroleum gas motor fuel dealer, who dispenses liquefied petroleum gas motor fuel into the fuel tanks of, or attached to, motor vehicles for the propulsion of such motor vehicles on the public highways, and shall include any such person who so dispenses liquefied petroleum gas motor fuel for consumption in such motor vehicles owner, leased, or operated by him.

Section 3. A new section of the Kentucky Statutes is enacted to read as follows:

(1) An excise tax of seven cents per gallon is hereby levied and shall be paid by the liquefied petroleum gas motor fuel dealer to the department on all taxable liquefied petroleum gas motor fuel delivered to the licensed liquefied petroleum gas motor fuel user-seller or withdrawn by the liquefied petroleum gas motor fuel dealer to propel motor vehicles on the public highways, either within or without this state. An allowance of one percent of the tax shall be made

to the liquefied petroleum gas motor fuel dealer to cover unaccountable losses, bad debts, and handling and reporting the tax.

(2) Two-sevenths of all amounts received by reason of the tax paid under subsection (1) shall be set aside by the Department of Highways for the construction, reconstruction, and maintenance of rural and secondary roads and for no other purpose.

(3) No other excise or license tax shall be levied or assessed on liquefied petroleum gas motor fuel by any political subdivision of the state; except the licenses under KRS 234.120.

(4) No provision of this Act shall in anyway affect the surtax imposed on heavy equipment motor carriers under KRS 138.660.

Section 4. A new section of the Kentucky Statutes is enacted to read as follows:

(1) A license shall be required of each liquefied petroleum gas motor fuel dealer and each liquefied petroleum gas motor fuel user-seller.

(2) Application for a license shall be made to the department upon forms prepared and furnished by the department. The application shall contain such information as the department deems necessary.

(3) Concurrently with the filing of an application for a license, a liquefied petroleum gas motor fuel dealer shall file with the department a bond as required under Section (5) of this Act. No license shall be issued to any person unless such person has furnished a bond as provided in Section 5 of this Act to secure payment of taxes, penalties and interest imposed by this Act. No bond shall be filed with an application for a liquefied petroleum gas motor fuel user-seller license.

(4) The application in proper form having been accepted for filing, the bond, if required, having been accepted and approved and the other conditions and requirements of this section having been complied with, the department shall issue a license. However, if an application for a license is filed by any person whose license has at any time previously been revoked for cause by the department, or if the department is of the opinion that the person who makes the application as a subterfuge for the real party in interest whose license, prior to the time of filing the application, has been revoked for cause, or that the application is not for any other reason filed in good faith or is not for sufficient cause, the department may, after a hearing of which the applicant shall be given ten days' notice in writing and in which he shall have the right to appear in person or by counsel and present testimony, refuse to issue a license to that person.

(5) All licenses shall be valid and remain in full force and effect until suspended or revoked for cause or otherwise cancelled.

(6) A license shall not be assignable or transferable and shall be valid only for the person in whose name it is issued.

(7) The department shall keep and file all applications and bonds, with an alphabetical index thereof.

Section 5. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Every Liquefied Petroleum Gas Motor Fuel dealer shall file with the department a corporate bond, cash bond or securities approved by the department in a minimum amount of $500.00 and in a maximum amount of four months' liability for taxes imposed under this Act but not to exceed $50,000.00. If however, a liquefied petroleum gas motor fuel dealer is bonded as provided in KRS 138.330 the department may waive the bonding requirement in this section provided a rider is attached to such bond to guarantee payment of all liquefied petroleum gas motor fuel taxes together with all penalties and interest thereon and secure faithful compliance with the provisions of this Act. The applicant for a license shall be the principal obligor and this state shall be the obligee. The bond shall be conditioned upon the prompt filing of true reports and the payment by the licensee to the department of all taxes levied under this Act, together with all penalties and interest thereon and generally upon faithful compliance with the provisions of this Act.

(2) If the liability upon the bond is discharged or reduced, whether by judgment rendered, payment made, or otherwise or if in the opinion of the department any surety has become unsatisfactory or unacceptable, the department may require the licensee to file a new bond with satisfactory surety in the same form and amount, failing which the department shall forthwith cancel the license. If a new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

(3) If upon hearing, of which the licensee shall be given ten days' notice in writing, the department decided that the amount of the existing bond is insufficient to insure payment to this state of the amount of the tax penalties, and interest for which the licensee is or may become liable, the licensee shall forthwith, upon the written demand of the department, file an additional bond in the same manner and form with surety thereon approved by the department, in any amount determined by the department to be necessary, failing which the department shall forthwith cancel the license.

(4) Any surety on a bond furnished by a licensee shall be released from all liability to this state accruing on such bond after the expiration of sixty days from the date upon which the surety has lodged with the department a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty-day period. The department shall promptly on the receipt of the request, notify the licensee who furnished the bond, and unless the licensee shall, before the expiration of the sixty-day period, file

with the department a new bond with surety satisfactory to the department in the amount and form hereinbefore provided, the department shall forthwith cancel the license. If the new bond is furnished by the licensee as above provided, the department shall cancel the bond for which the new bond is substituted.

Section 6. A new section of the Kentucky Statutes is enacted to read as follows:

(1) If a licensee at any time files a false monthly report of the information required, or fails or refuses to file the monthly report or to pay the full amount of the tax or violates any other provision of this Act, without a showing that such failure was due to reasonable cause, the department may cancel the license and suspend the privilege of acting as a liquefied petroleum gas motor fuel dealer.

(2) Upon voluntary surrender of the license or upon receipt of a written request by a licensee, the department may cancel his license, effective sixty days from the date of request, but no such license shall be cancelled upon surrender or request unless the licensee has, prior to the date of cancellation, paid to this state all taxes, penalties, interest and fines that are due or have accrued, and unless the licensee has surrendered to the department his license.

(3) If upon investigation the department ascertains that any person to whom a license has been issued is no longer engaged as a liquefied petroleum gas motor fuel dealer or a liquefied petroleum gas motor fuel user-seller, and has not been so engaged for a period of six months, the department may cancel such license by giving the person sixty-days' notice of cancellation, mailed to his last known address in which event the license shall be surrendered to the department.

(4) Whenever a licensee ceases to engage in business within this state, he shall notify the department in writing within fifteen days after discontinuance. All taxes that have accrued under this Act, whether or not then due, shall become due and payable concurrently with such discontinuance. The licensee shall make a report and pay all such taxes and any interest and penalties thereon, and shall surrender to the department his license.

(5) If the license is cancelled by the department as provided in this section, and if the licensee has paid to this state all taxes, interest and penalties under this Act, the department shall cancel the bond filed by the licensee.

Section 7. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Every liquefied petroleum gas motor fuel dealer licensee shall maintain complete records of inventories, purchases, sales, use and other dispositions of liquefied petroleum gas. Such records, together with manifests of lading, invoices, correspondence, and other

papers pertaining to liquefied petroleum gas motor fuel shall be retained for a minimum of two years, and if requested by the department, shall be made available for examination by the department.

(2) Where storage of liquefied petroleum gas is for multiple uses, and where the number of gallons taxable of liquefied petroleum gas motor fuel are determined by the liquefied petroleum gas motor fuel dealer and/or the liquefied petroleum gas motor fuel user-seller, based on the best estimate possible from mileage and efficiency records available, all mileage and efficiency records of such motor vehicle must be retained for a minimum period of two years, and, if requested by the department, shall be made available for examination by the department.

Section 8. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Every liquefied petroleum gas motor fuel dealer licensee shall file with the department, on forms prescribed by the department, a monthly tax return. The return shall be made under penalty of perjury and shall show such information as the department may require. The licensee shall file the return on or before the last day of the next succeeding calendar month following the month to which it relates.

(2) The monthly tax return shall be accompanied by remittance covering the tax due.

Section 9. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Liquefied Petroleum Gas Motor Fuel dealers using, selling, and/or delivering liquefied petroleum gas to motor vehicles, or into storage for use in motor vehicles, shall report and pay the state tax of seven cents per gallon on all such fuel to the Department of Revenue. The dealer shall issue an invoice to the customer whenever the sale or delivery is consummated giving the invoice date, name and address of the customer, and number of taxable gallons sold or delivered. The number of taxable gallons to be invoiced shall be determined in the following manner by the dealer:

(a) The metered gallons, if placed into a fuel tank of a motor vehicle.

(b) The metered gallons, if placed into storage, all of which is to be used or sold for use in motor vehicles.

(c) The number of gallons to be used in motor vehicles, if the storage is for multiple uses. The number of taxable gallons to be determined by the user and the dealer based on the best estimate possible from mileage and efficiency records available.

(d) If the motor vehicle carburetor is connected to a fuel line leading from a fuel tank where another, or other motors are supplied with fuel also, then the number of gallons to be invoiced as taxable motor fuel shall be determined from mileage and fuel efficiency records.

Section 10. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Any holder of a liquefied petroleum gas motor fuel user-seller license, using liquefied petroleum gas as a motor fuel to propel motor vehicles upon the highways may fuel his own vehicles from storage where non-taxable liquefied petroleum gas is stored provided:

(a) The State tax has been paid to the distributor or supplier of liquefied petroleum gas, who is licensed as a liquefied petroleum gas motor fuel dealer, on that portion intended for use on the highway; and further provided that

(b) The liquefied petroleum gas storage facilities meet the requirements of KRS 234.100 to KRS 234.990 and regulations promulgated thereunder.

Section 11. A new section of the Kentucky Statutes is enacted to read as follows:

(1) The department may audit the books and records of each licensee and make such other investigations as it deems necessary to determine whether or not the tax and other requirements imposed by this act have been met.

Section 12. A new section of the Kentucky Statutes is enacted to read as follows:

(1) The reports required by Section 8 of this Act shall be accompanied by a certified or cashier's check payable to the State Treasurer, for the amount of tax due for the preceeding calendar month computed as provided in Section 9 of this Act, except that the department may waive this requirement and accept the check of the licensee if he is of sound financial condition and has established a good record of compliance with the requirements of this Act.

Section 13. A new section of the Kentucky Statutes is enacted to read as follows:

(1) If any liquefied petroleum gas motor fuel dealer neglects or refuses to make the return required by Section 8 of this Act or to pay the tax at the time provided, a penalty of twenty percent thereof and interest at six percent per annum from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty percent shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the department, his reasons for failure to comply with Section 8 of this Act, and if the department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may

modify the penalty exacted therein to five percent of the amount of the tax due and delinquent, provided the five percent penalty may be reduced to a one percent penalty if the violation is the first violation by the taxpayer within twelve months.

(3) Any liquefied petroleum gas motor fuel dealer who fails to make any return required under Section 8 of this Act within the time required shall pay a penalty of ten dollars to be assessed and collected in the manner provided for the assessment and collection of taxes under this Act or in a civil action initiated by the department. In addition such delinquent taxpayer may be compelled to make the required report or return.

Section 14. A new section of the Kentucky Statutes is enacted to read as follows:

(1) With respect to this Act, it is unlawful for any person to:

(a) Fail to pay the taxes due;

(b) Fail, neglect or refuse to make and file any statement required in the manner or within the time required;

(c) Make any false statement or conceal any material fact in any record, report or affidavit;

(d) Conduct any activities requiring a license without a license or after a license has been surrendered, cancelled or revoked;

(e) Assign or attempt to assign a license to act as a liquefied petroleum gas motor fuel dealer;

(f) Violate any other provisions.

Section 15. A new section of the Kentucky Statutes is enacted to read as follows:

(1) The department shall administer the taxes provided in this Act and may prescribe, adopt and enforce regulations relating to the administration and enforcement thereof.

(2) The department shall, upon the request of the officials to whom are entrusted the enforcement of the liquefied petroleum gas motor fuel tax law of any other state, the United States, the provisions of the Dominion of Canada, forward to such officials any information which it may have relative to the manufacture, receipt, sale, use, transportation, shipment, or delivery by any person of liquefied petroleum gas motor fuel, provided such other state or states provides for the furnishing or like information to this state.

Section 16. A new section of the Kentucky Statutes is enacted to read as follows:

(1) Any person violating any provision of Section 13 of this Act shall be fined not more than one thousand dollars or imprisoned in the county jail for more than six months, or both. Upon conviction of a second offense, he shall be imprisoned for not less than one year nor more than five years in the state penitentiary.

Section 17. A new section of the Kentucky Statutes is enacted to read as follows:

The effective date of this Act shall be July 1, 1960.

HB 476, AN ACT amending Section 64.350 of the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.350 of the Kentucky Revised Statutes is amended to read as follows:

In counties having a population of seventy-five thousand or more, the salaries of the clerks of the respective courts thereof, of sheriffs and of jailers and of their deputies and all necessary office expenses, including the equipping, furnishing, maintaining and operation of said offices, shall be paid out of the State Treasury in amounts not to exceed seventy-five percent of the fees collected by said officers respectively, and received into the Treasury; and twenty-five percent of the fees collected by said officers respectively and received into the State Treasury shall be paid annually in the manner provided by law for the payment of other claims against the state to the fiscal courts of said respective counties. Said amount of twenty-five percent of said fees collected by said officers respectively during each calendar year shall be paid to the fiscal courts of the respective counties by April 1 of each year succeeding the calendar year during which said fees were received by the Department of Finance.

At the conclusion of the term of said officers of a county, any balance in the State Treasury representing the difference between the total fees collected and paid into the State Treasury by said officers during their term and the amounts paid to them for salaries and expenses and the amounts paid annually to the fiscal court of that county shall be paid to the fiscal court of that county.

HB 472, AN ACT relating to workmen's compensation coverage for members of the Kentucky National Guard.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Military Affairs shall have the power to accept the provisions of KRS Chapter 342 for the benefit of members of the Kentucky National Guard while such members are on active state service.

HB 376, AN ACT relating to the jurisdiction of quarterly and justices' courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 25.410 of the Kentucky Revised Statutes is amended to read as follows:

In civil cases the quarterly court has jurisdiction concurrent with justices' and police courts of all actions within its county for the recovery of money or personal property, where the value in controversy is five hundred dollars or under, exclusive of interest and costs, and concurrent jurisdiction with circuit courts of all such actions where the value in controversy is over fifty and not more than five hundred dollars, exclusive of interest and costs.

Section 2. Section 25.610 of the Kentucky Revised Statutes is amended to read as follows:

Justices' courts have jurisdiction concurrent with circuit and quarterly courts of all civil actions for the recovery of money or personal property where the value in controversy, exclusive of interest and costs, does not exceed five hundred dollars; jurisdiction, exclusive of circuit courts and concurrent with quarterly courts, of all civil actions for the recovery of money or personal property where the value in controversy, exclusive of interest and costs, does not exceed fifty dollars; jurisdiction, concurrent with quarterly courts, of motions against constables for failing to discharge their duty; and any other jurisdiction conferred upon them by law.

HB 332, AN ACT relating to vacancies in county offices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 63.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) A vacancy in the office of sheriff, coroner, surveyor, county clerk, county attorney, jailer, constable or county tax commissioner, shall be filled by the county court.

(2) A vacancy in the office of circuit court clerk shall be filled by the circuit judge of the district. In those districts where there is more than one circuit judge, said vacancy shall be filled by a majority of the circuit judges of said district concurring therein, and upon failure of the majority to agree, then said fact shall be certified to the Governor, who shall fill said vacancy.

(3) Appointments to fill vacancies under this section shall be until the successor is elected, as provided in section 152 of the Constitution, and qualified.

HB 357, AN ACT relating to fees of circuit clerks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A circuit clerk may, but is not required to, refuse to accept any pleading or paper for filing, or perform any other duty, in a civil action for which he is allowed a fee unless the fee is tendered and all accrued costs are paid, except as provided by KRS 453.190.

HB 127, AN ACT relating to group life insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) The lives of a group of members of any duly organized corporation, association or society, of veterans of World War I, World War II or the Korean campaign veterans may be insured under a policy issued to any such corporation, association or society, as the policy holder insuring all of its members who are actively engaged in any occupation for amounts of insurance based upon some plan which will preclude individual selection for the benefit of persons other than the corporation, association or society or its officials.

(2) The premium on the policy shall be paid by the corporation, association or society, and its members jointly.

(3) Not less than seventy-five percent of all eligible members may be insured; provided, that when members apply and pay for additional amounts of insurance, a smaller percentage of eligible members may be insured for additional amounts if they pass satisfactory medical examination.

HB 288, AN ACT relating to historical automobiles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In enacting this Act, it is the intention of the General Assembly to recognize the special value of historical vehicles to the Commonwealth, and also to recognize that historical cars, because of their limited use and their easily indentifiable characteristics, do not require the same degree of regulations as other vehicles.

Section 2. As used in this Act, unless the context otherwise requires, "historical vehicle" means a motor vehicle which was manufactured prior to 1934 and which is used primarily for exhibition in shows, parades, tours and other special uses but not for general transportation.

Section 3. Historical vehicles shall be registered and licensed by the Department of Revenue. Such registration and license shall be in lieu of the registration and license required by KRS 186.020 to 186.270.

Section 4. Upon payment of a fee of seven dollars and application in accordance with regulations issued by the Department of Revenue, the Commissioner of Revenue shall issue a certificate of registration and a special license plate or plates, which plate or plates shall be of metal, at least six inches by twelve inches, and which shall show in bold characters the words "Historical Vehicle," a serial number, the word "Kentucky" or "Ky.", and other distinctive markings as in the judgment of the Commissioner of Revenue will best advertise, popularize and promote the state. The serial number shall begin with the number one and continue in consecutive numerical sequence.

Section 5. The registration license, and license plates of historical vehicles shall be valid without renewal as long as the vehicle is in existence. If the historical vehicle is sold, the registration and license shall be assigned and transferred to the new owner on the records of the Department of Revenue on receipt of an application in accordance with regulations issued by the department and payment of a fee of two dollars.

Section 6. The Commissioner of Revenue may make such reasonable rules and regulations as he deems necessary to further the purposes of this Act.

Section 7. This Act shall become effective on the first day of January, 1961.

House Message

Announcing passage of **HB 201, HB 223, HB 402, HB 405, HB 437, HB 462, HB 477, HB 505, HB 513, SR 30, SR 37, SB 93, SB 132, SB 135, SB 136, SB 230, SB 137, SB 148, SB 200, SB 184,** (with House Amendment), **SB 250,** (with House Amendment).

Senator Ware moved that the Senate recess for the purpose of having a meeting of the Rules Committee. Agreed.

President resumes the Chair.

Report of Rules Committee

Rules Committee reported **HB 519, HB 505, HB 201, HB 416, HB 506, HB** 437 with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 519, AN ACT relating to fees for certificates of school employes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 161.130 of the Kentucky Revised Statutes is hereby repealed.

HB 505, AN ACT relating to revenue and taxation, making an appropriation therefor, and also making an appropriation to the Capital Construction Fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

ARTICLE I

Section 1. Section 132.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every person having on September 1 of any year a deposit in any bank, trust company or combined bank and trust company organized under the laws of this state, or in any national bank of this state, shall pay an annual tax to the state equal to one-thousandth of one percent upon the amount of the deposit, and no deduction therefrom shall be made for any indebtedness. The tax shall be paid to the Department of Revenue by the bank or company with which the deposit is made, as the agent of the depositor, on or before November 1 next following the date of the report provided for in KRS 132.040.

(2) No other tax shall be assessed by the state or any county, city or other taxing district on such deposits or against the depositor on account of such deposits.

Section 2. Section 132.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each bank, trust company, combined bank and trust company and national bank doing business in this state shall file with the Department of Revenue on or before September 21 of each year a report setting forth the total amount of its deposits as of the preceeding September 1 that would be taxable in the name of the depositor under the laws of this state, and shall, on or before November 1 of each year; pay to the department one-thousandth of one percent of the amount of such deposits, and may charge to and deduct from the deposit of each depositor the amount of the tax so paid on his behalf. A lien is hereby given to the banks and trust companies on the funds belonging to the respective depositors on which the tax has been so paid. Any claim for taxes against the depositor by the bank or trust company paying the taxes shall be asserted within six months after the payment of the taxes to the department, and all claims or liens therefor shall be thereafter barred.

(2) Each bank or trust company that wilfully fails to make the returns or to pay the taxes on behalf of its depositors shall forfeit to the state an amount equal to one-tenth of one percent of such deposits for each month's delay in filing the return or in paying the tax. The tax and forfeitures may be recovered in an action commenced by the county attorney in the county court of the county in which the bank or trust company is located, but if the Department of Revenue or the court in which the action is heard becomes satisfied that the failure was not wilful, the department or the court may waive any part or all of the penalty.

Section 3. Section 132.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) The property subject to taxation, unless exempted by the Constitution, shall be as follows:

(a) All real and personal property within this state, including intangible personal property of nonresidents and corporations not organized under the laws of this state that has acquired a business situs within this state, except that twenty-five domestic fowls to each family shall be exempt from taxation for any purpose.

(b) All intangible personal property of individuals residing in this state and of corporations organized under the laws of this state unless it has acquired a business situs without this state.

(2) The property enumerated in paragraph (b) of subsection (1) of this section shall be considered and estimated in fixing the valuation of corporate franchises.

(3) Property shall be assessed for taxation at its fair cash value, estimated at the price it would bring at a fair voluntary sale.

(4) The situs of intangible personal property for purposes of taxation shall be at the residence of the real or beneficial owner, and not at the residence of the fiduciary or agent having custody or possession. Any intangible property owned by a resident shall be taxable in this state, unless by the date of assessment he has changed his place of abode to a place without this state with the bona fide intention of continuing actually to abide permanently without this state. The fact that a person again abides within this state within six months from so changing his actual place of abode shall be prima facie evidence that he did not intend permanently to have his actual place of abode without this state. A person so changing his actual place of abode and not intending permanently to continue it without this state and not having listed his property for taxation as a resident of this state shall, for the purpose of having his property assessed for taxation within this state, be deemed to have resided, on the day when his property should have been so assessed, at his last actual or habitual place of abode within this state. The fact that a person does not claim or exercise the right to vote at public elections within this state shall not of itself constitute him a nonresident of this state.

(5) An administrator, executor, trustee, committee, curator, or agent residing in this state shall not be liable for taxes on intangible personal property held by him if the real or beneficial owner of the property resides outside of this state. This exemption shall not apply in the case of an executor or administrator in the exercise of his office as personal representative while the estate of a deceased person is in process of settlement and before the share of the nonresident legatee or beneficiary is set apart to him, or before the legatee or beneficiary is entitled to be paid his share.

(6) Nothing contained in this section shall affect the liability for franchise taxes payable by corporations organized under the laws of this state; nor the method of taxation of banks and trust companies provided in KRS 136.270; nor the method of taxation of building and loan associations provided in KRS 136.300; and nothing contained in this section shall alter or repeal KRS 136.030.

Section 4. Section 132.215 of the Kentucky Revised Statutes is amended to read as follows:

(1) To the extent that the present right to receive income for the period of a life or lives, or other indeterminate period, may be held to be subject to assessment and taxation, the basis of the assessment value shall be the fair cash value.

(2) To the extent that a present right to receive income from any source for a life or lives or other indeterminate period, including the right to receive installment payments, even though for a determinate period, under the terms of a life insurance policy, payable by reason of the death of the insured, may be held to be subject to assessment for ad valorem taxes, the owner or person enjoying such right on January 1 of each year shall pay a tax to the state of five cents upon each one hundred dollars of the fair cash value of his right on the assessment date. No other tax shall be assessed by the state or by any county, city, school district, or other taxing district on any such right, or against the holder of any such right on account thereof.

Section 5. Section 132.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) Deposits belonging to a resident of Kentucky in any national bank not of this state or in any bank, trust company, or combined bank and trust company not organized under the laws of this state and unmanufactured tobacco insofar as it is subject to taxation by KRS 132.190 and 132.200 shall be listed, assessed and valued as of September 1 of each year. Motor vehicles shall not be assessed as of January 1, 1961, but shall be listed, assessed, and valued as of March 1, 1961, and as of March 1 of each year thereafter. Money in hand shall be listed, assessed, and valued as of September 1 of each year. Shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and all interest in such property, unless otherwise provided by law shall be listed, assessed, and valued as of the beginning of business on January 1 of each year. All other taxable property and all interest in other taxable property, unless otherwise specifically provided by law, shall be listed, assessed, and valued as of January, of each yera. It shall be the duty of all persons owning or having any interest in any property taxable in this state to list or have listed such property with the county tax commissioner of the county where it is located, between January 1 and March 1 in each year, except as otherwise provided by law. All persons in

whose name property is properly assessed shall remain bound for the tax, notwithstanding they may have sold or parted with it.

(2) Any taxpayer who has a reasonable excuse for not listing his property before the county tax commissioner or his deputy may appear before any person authorized to administer an oath and make the necessary affidavit required by the schedule as to the value of his property and may then return the schedule to the county tax commissioner. This shall be a compliance with the law in his particular case.

(3) Real property or any interest therein shall be listed in the taxing district where it is located, by the owner of the first freehold estate therein, and it shall be assessed without reference to conflicting title. If the owner fails to list the property, the county tax commissioner shall nevertheless assess it. The county tax commissioner may swear witnesses in order to ascertain the person in whose name to make the list.

(4) Real property shall be assessed in the name of the owner, if ascertainable by the tax commissioner, otherwise in the name of the occupant, if ascertainable, and otherwise to "Unknown owner." The undivided real estate of any deceased person may be assessed to the heirs or devisees of such person without designating them by name.

(5) Beginning in the year 1951, all property exempt from taxation by Section 170 of the Constitution shall be listed with the county tax commissioner in the same manner and at the same time as taxable real property. The county tax commissioner shall maintain an inventory record of such tax exempt property, but such property shall not be placed on the tax rolls.

Section 6. Section 132.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every warehouse company and every person engaged in the business of furnishing storage for personal property shall by February 1, 1961, and February 1 of each year thereafter, make a report to the county tax commissioner, giving, as far as possible, accurate and complete information as to all property held by them on January 1, 1961, and January 1 of each year thereafter, and the names and residences of the owners of all property so held on that date.

(2) Every person providing rental space for the parking of housetrailers and mobile homes shall by February 1, 1961, and by February 1 of each year thereafter, report the name of the owner and type and size of all housetrailers and mobile homes not registered in this state under KRS 186.655 on his premises on January 1, 1961, and January 1 of each year thereafter to the county tax commissioner of the county in which the property is located.

(3) The reports required by subsections (1) and (2) shall be made in accordance with the forms prescribed by the Department of Revenue and shall be signed and verified by the chief officer or person in charge of the business.

(4) The county tax commissioner may make a personal inspection and investigation of property held in storage and premises on which housetrailers or mobile homes are located, for the purpose of identifying and assessing such property. No person in charge of such premises shall refuse to permit the inspection and investigation.

Section 7. Section 132.285 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any city may by ordinance elect to use the annual county assessment for property situated within such city as a basis of ad valorem tax levies ordered or approved by the legislative body of the city. Any city making such election shall notify the Department of Revenue and county tax commissioner prior to the next succeeding assessment to be used for city levies. In such event the assessment as finally determined for county tax purposes shall serve as a basis of all city levies for the fiscal year commencing after the county assessment date. Each city which elects to use the county assessment shall annually appropriate and pay each fiscal year to the office of the county tax commissioner for deputy and other authorized personnel allowance, supplies, maps and equipment, and other authorized expenses of the office, one and one-half cent for each one hundred dollars of the assessment applicable to the city tax levies, or thirty thousand dollars, whichever is smaller. This allowance shall be based on the assessment as of the previous January 1. Each county tax commissioner shall at the end of each month file a claim with the city for the salaries of his deputies, other personnel, and other expenses of his office incurred during the month which are reimbursable from city funds; and the city shall order payment in an amount not to exceed the appropriation authorized by this section. Notwithstanding any statutory provisions to the contrary, the assessment dates for such city shall conform to the corresponding dates for the county, and such city may by ordinance establish additional financial and tax procedures that will enable it effectively to adopt the county assessment. Any such city may, by ordinance, abolish any office connected with city assessment and equalization; except that in the case of a city assessor who is elected by the qualified voters of the city, the office may not be abolished before the end of the term of such assessor. Any city which elects to use the county assessment shall have access to the assessment records as soon as completed and may obtain a copy of that portion of the records which represents the assessment of property within such city. Once any city elects to use the county assessment, such action cannot be revoked without notice to the Department of Revenue and the county tax commissioner six months prior to the next date as of which property is assessed for state and county taxes.

(2) In the event any omitted property is assessed by the county tax commissioner as provided by KRS 132.310 such assessment shall be considered as part of the assessment adopted by the city according to subsection (1).

(3) A city may adopt due and delinquency dates for real property, personal property, and motor vehicles or any combination thereof identical to the respective dates for state and county taxes.

Section 8. Section 132.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who has failed to list for taxation any property omitted from assessment consisting of real property or tangible personal property, except such as is subject to assessment by the Kentucky Tax Commission, may at any time list such property with the county tax commissioner. The tax commissioner shall proceed to assess the property and shall within ten days from the date the property was listed notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450 (2).

(2) The county tax commissioner may at any time list and assess any real or tangible property which may have been omitted from the regular assessment. Immediately upon listing and assessing omitted real or tangible property, the county tax commissioner shall notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450 (2).

(3) The taxpayer may appeal the assessment to the Kentucky Tax Commission within fifteen days from the date of notice, in the same manner as an appeal from the final action of the county board of supervisors and may appeal from the action of the Kentucky Tax Commission as provided in KRS 133.120. If no appeal is taken within fifteen days from the date of notice, the assessment as made by the county tax commissioner shall become final and shall be certified by the tax commissioner to the county clerk.

(4) Any property voluntarily listed as omitted property for taxation under this section shall be subject to penalties provided in KRS 132.290 (3). Omitted property listed for taxation under this section by the county tax commissioner shall be subject to the penalties provided in KRS 132.290 (4).

Section 9. Section 132.370 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be a county tax commissioner in each county in lieu of a county assessor.

(2) County tax commissioners shall be elected in the year 1961 and each four years thereafter and shall enter upon the discharge of the duties of their office on the first Monday in December after their election and continue in office for a period of four years, and until the election and qualification of their successors. County tax commissioners shall possess the qualifications required by Section 100 of the Constitution and by KRS 132.380 and shall be eligible for re-election.

(3) A county tax commissioner may be removed from office by the circuit court of his county, upon petition of the department or any

taxpayer, for wilful disobedience of any just or legal order of the department, or for misfeasance or malfeasance in office or wilful neglect in the discharge of his official duties, but he or the petitioner may appeal to the Court of Appeals.

Section 10. Section 132.375 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a vacancy occurs in the county tax commissioner's office, the Commissioner of Revenue may designate a person to carry on the duties of the office until such time as some person can be duly qualified and appointed. The person so designated shall be compensated on a prorata basis for the calendar days served from funds made available to the office from the state under KRS 132.590, except, where an agent of the Department of Revenue is so designated, said agent shall be compensated from Department of Revenue funds in the same manner and at the same rate as compensated prior to his receiving such designation, plus necessary expenses, including travel. Such individual shall have all the powers and be subject to all the regulations applying to county tax commissioners. In no event shall the person designated to act as county tax commissioner by the Commissioner of Revenue serve in excess of ninety days unless otherwise qualified and appointed.

Section 11. Section 132.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) Before any person's name shall be placed upon any ballot as a candidate for the office of county tax commissioner in any primary or general election, except as a candidate to succeed himself in office, or before he may be appointed county tax commissioner, except as an interim appointee as provided by KRS 132.375, he shall hold a certificate issued by the Department of Revenue, showing that he has been examined by it and that he is qualified for the office. All certificates issued shall expire one year from the date of issuance. The examinations shall be both written and oral and formulated so as to test fairly the ability and fitness of the applicant to serve as county tax commissioner. The Department of Revenue shall hold such examinations in at least one place in each Congressional District during the month of February of each year in which county tax commissioners are to be elected. The Department of Revenue shall advise each county attorney of the time and place of the examination, and the county attorney shall post a notice thereof in a conspicuous place in the courthouse two weeks before such examination is given. Any person desiring to take such examination shall appear at the time and place designated.

(2) If, after the giving of the examination, as provided in subsection (1), there is only one person qualified to be a candidate in the county, the Department of Revenue shall hold a second examination prior to the filing date in each Congressional District where necessary.

Applicants from only those counties having not more than one person qualified shall be eligible to take the examination. Notice of the second examination shall be posted in the manner provided in subsection (1).

(3) Whenever there is a vacancy in the office of county tax commissioner to be filled by appointment or by election, and there is not more than one person holding a valid certificate and eligible for appointment or election, the Department of Revenue may hold a special examination for applicants seeking a certificate for the office. If, after the giving of a special examination, only one person is qualified, the county judge may request a second examination. Special examinations shall be held in the same manner as regular examinations.

(4) Examinations shall be given and graded in accordance with rules of the department published to the applicant at the time of the examination. Within thirty days after the examination, a certificate of fitness and qualification to fill the office of county tax commissioner shall be issued by the Department of Revenue to each person passing the examination.

(5) Examination records shall be preserved by the department for twelve months after the examination, and the record of any person who took the examination may be seen by him at the office of the Department of Revenue in Frankfort, Kentucky.

Section 12. Section 132.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each county tax commissioner shall assess at its fair cash value all property which it is his duty to assess. In the case of securities which are regularly bought and sold through stock exchanges, the price at which such property closed on the last regular business day preceding the assessment day shall be prima facie evidence of the fair cash value of such property. The property of one person shall not be asssesed wilfully or intentionally at a lower or higher relative value than the same class of property of another, and any grossly discriminatory valuation shall be construed as an intentional discrimination. The tax commissioner shall make every effort, through visits with the taxpayer, personal inspection of the property, from records, from his own knowledge, from information in property schedules, and from such other evidence as he may be able to obtain, to locate, identify, and assess property.

(2) If the tax commissioner assesses any property, except stocks and bonds at the market value listed in recognized publications, at a greater value than that listed by the taxpayer or assesses unlisted property, the tax commissioner shall serve notice on the taxpayer of such action. The notice shall be given by first class mail or as provided in the Kentucky Rules of Civil Procedure.

(3) Any taxpayer may designate on the property schedule any property which he does not consider to be subject to taxation and it

shall be the duty of the tax commissioner to obtain and follow advice from the Department of Revenue relative to the taxability of such property.

Section 13. Section 132.485 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county clerk shall furnish weekly to the county tax commissioner a copy of the registration certificate for each motor vehicle and housetrailer registered. The address including the county in which the owner of the motor vehicle or housetrailer resides shall be shown on the copy of the registration certificate furnished. The county tax commissioner shall forward to the appropriate county tax commissioner all registration certificates showing a county of residence other than his own. All copies of transfers of registered motor vehicles and housetrailers dated on or before May 1 in the current year shall be forwarded by the county clerk to the county tax commissioner. The county tax commissioner is authorized to list the motor vehicle or housetrailer listed on the registration certificate on the property tax rolls without notifying the taxpayer.

(2) The registration of a motor vehicle or housetrailer with the county clerk in order to operate it or permit it to be operated upon the highways shall be deemed consent by the registrant thereof for the motor vehicle or housetrailer to be assessed by the county tax commissioner at a valuation determined from a standard manual prescribed by the Department of Revenue for valuing motor vehicles or housetrailers for assessment unless the registrant appears in person before the tax commissioner to assess the vehicle.

(3) This section does not apply to motor vehicles and housetrailers owned and operated by agencies of the state and federal governments.

(4) The registration of a motor vehicle on or before the date that the registration of such vehicle is required is prima facie evidence of ownership on March 1.

Section 14. Section 132.590 of the Kentucky Revised Statutes is amended to read as follows:

(1) The compensation of the county tax commissioner shall be computed on the basis of ten cents on each one hundred dollars of the first three million dollars and two cents on each one hundred dollars of the excess over three million dollars of the annual assessment. However, each county tax commissioner shall receive a minimum monthly payment of two hundred fifty dollars as part or all of his compensation. Should a county tax commissioner for any reason vacate the office in any year during his term of office, any fees accruing to the office as compensation for the county tax commissioner shall be prorated and the commissioner shall be paid only for the calendar days actually served during the year.

(2) In counties in which the assessed value of property exceeds eight million dollars, the county tax commissioner's office shall be allowed by the state as compensation for deputies, other authorized personnel, and for other authorized expenditures, two cents on each one hundred dollars of the property assessed in excess of eight million dollars; but the total sum allowed any county tax commissioner's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed twenty thousand dollars in any county except in a county having a city of the first or second class, which shall be governed by KRS 132.630. Each county tax commissioner may appoint any persons approved by the Department of Revenue to assist him in the discharge of his duties. Each deputy must be more than twenty-one years of age and may be removed at the pleasure of the county tax commissioner. The salaries of deputies and other authorized personnel shall be fixed by the county tax commissioner and shall be subject to the approval of the Department of Revenue. No deputy county tax commissioner employed, or promoted to a higher position, after June 30, 1960, shall be approved for compensation from any funds derived from any taxing jurisdiction or jurisdictions in excess of three thousand dollars in any one calendar year, without having qualified by examination, said examination to be prepared and administered by the Department of Revenue in accordance with standards of the Department of Personnel, for the position to which he is being appointed or promoted. No state funds available to any county tax commissioner's office as compensation for deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Department of Revenue, prior to the employment by the tax commissioner of deputies or other authorized personnel or the incurring of other authorized expenditures.

(3) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the county tax commissioner for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the tax commissioner and his deputies and other authorized personnel, and other authorized expenses of the office, two hundred dollars for the first million dollars of assessment and one-half of one cent for each hundred dollars of assessment in excess of one million dollars; but the total sum to be paid by the fiscal court to any county tax commissioner's office shall not exceed twenty thousand dollars except in a county having a city of the first class, which shall be governed by KRS 132.630. This allowance shall be based on the assessment as of the previous January 1.

(4) Each County tax commissioner shall at the end of each month file a claim with the fiscal court for the salaries of his deputies, other personnel, and other expenses of his office incurred during the month which are reimbursable from county funds. The court shall order payment made provided the total of all claims filed with the court does not exceed the total sum available under this section. During county

election years the county tax commissioner shall not be allowed to expend in excess of forty percent of the allowances available to his office from county funds during the first five months of the fiscal year in which the general election is held.

(5) The county tax commissioner shall not receive for his personal services, incident to any asssesment, more than seven thousand two hundred dollars in any calendar year. However, the maximum compensation for any county tax commissioner shall not exceed the highest compensation, including salary and fees, approved by the fiscal courts for any county official.

Section 15. Section 132.670 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a city or county by order of its legislative body petitions the department for a reappraisal of the properties therein and the department, after investigation, determines that a reappraisal is necessary, the department shall, according to the comparative need therefor, provide personnel and other assistance to aid the city assessor or county tax commissioner in accomplishing this result. The Department of Revenue shall prescribe methods and specifications for the reappraisal of property. Personnel authorized to assist in making a city or county reappraisal under this section may be given the same authority as a deputy tax commissioner or deputy city assessor. Cities, counties, and other taxing districts may make appropriations from their general funds to share expenses incurred for such purposes by the department or for the purpose of employing other assistance in conducting such reappraisal projects. Whenever a county by order of its legislative body petitions the department for property indentification mapping of the properties therein the department may provide personnel and other assistance to aid the county tax commissioner in accomplishing this result. The Department of Revenue shall prescribe methods and specifications for the mapping of property. Personnel authorized to assist in making property identification maps under this section may be given the same authority as a deputy tax commissioner. Cities, counties, and other taxing districts may make appropriations from their general funds to share expenses incurred for such purposes by the department or for the purpose of employing other assistance in conducting such mapping projects.

Section 16. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) (a) All taxable real property or interest therein subject to assessment by the county tax commissioner shall be revalued during the second year of each term of office by the county tax commissioner in accordance with standards prescribed by the Department of Revenue.

(b) The right of any individual to appeal the assessment on his property in any year as provided in KRS 133.120 shall in no way be affected by this statute.

(c) Should the county tax commissioner fail to revalue property as required by this statute the Department of Revenue shall have the authority to order an emergency revaluation in the same manner as provided for emergency assessments by KRS 132.660. Any county tax commissioner wilfully violating the provisions of this section shall be subject to removal from office as provided by KRS 132.370 (3).

Section 17. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Revenue is hereby directed to revise the **Kentucky Real Property Appraisal Manual** dated January, 1952, on or before June 30, 1962, according to the following standards:

(a) All valuation data, classifications, and tables shall be to the standard of the current manual.

(b) Valuation data shall be based on a current date set by the Department of Revenue.

(c) The manual shall be so constructed that supplements may be issued from time to time to make the valuation data current.

(d) Additional building classifications shall be added based upon need.

(2) The Commissioner of Revenue is hereby authorized to contract for the revision of the **Kentucky Real Property Appraisal Manual** if he deems it necessary.

Section 18. A new section of the Kentucky Revised Statutes is created to read as follows:

The Department of Motor Transportation shall not issue a certificate or permit with respect to any motor vehicles other than those required to be registered by the county clerk for any year until the owner has presented proof of the following:

(a) Payment of ad valorem tax based on assessment of the motor vehicles as of March 1 of the year preceding the year for which the certificate or permit is to be issued, or

(b) The motor vehicle was not subject to assessment for ad valorem tax on March 1 of the year preceding the year for which the certificate or permit is to be issued.

Section 19. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The county clerk shall not issue a registration receipt for any motor vehicle for any year under the provisions of KRS 186.020 to 186.260 until the owner has presented to the clerk proof of the following:

(a) Payment of all ad valorem taxes based on the assessment of the motor vehicle as of March 1 of the year preceding the year for which the vehicle is to be licensed, or

(b) The motor vehicle was not subject to assessment for ad valorem tax on March 1 of the year preceding the year for which the vehicle is to be licensed.

(2) The county clerk shall not issue a registration receipt or a transfer of registration for any motor vehicle upon which the state or any other taxing district has filed a notice of lien under the provisions of Section 28 of this Act until the tax lien shall have been properly released.

Section 20. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Any city of the first, second, or third class that has adopted the county assessment pursuant to KRS 132.285 for property situated within such city or any independent school district may contract with the county sheriff for the collection of ad valorem taxes on motor vehicles. The sheriff shall receive as compensation the actual cost of collecting and reporting funds due any city or independent school district, not to exceed four percent of said taxes. The compensation of the sheriff for collecting all taxes shall not exceed that which is authorized by KRS 134.290. In collecting city and school taxes pursuant to contract, the sheriff shall have the same powers as applicable to state and county taxes.

(2) Any city or independent school district which has contracted with the county sheriff as authorized in subsection (1) may direct the sheriff to prepare a notice of lien and file the same in the same manner as provided for other taxing districts in Section 28 of this Act.

(3) Any city or independent school district for which the county sheriff does not collect any ad valorem taxes may prepare a notice of lien for tax on a motor vehicle and request the county clerk to file and record the notice for the same fee and in the same manner as provided by Section 28 of this Act.

Section 21. Section 133.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county board of supervisors shall be composed of reputable property owners residing in the county, to be appointed by the county judge annually in April. The board shall consist of three members appointed from the county at large, unless the county judge shall by order direct that the board be composed of one member from each magisterial district in the county; provided, however, that when any city of the first, second, or third class elects prior to April 1 of any year to adopt the county assessment as provided in KRS 132.285, the board shall consist of only three members and the county judge shall appoint as one of the three members of this board a person who shall have been nominated in writing by the mayor of such city; however,

should the number of appeals to the board of supervisors filed with the county clerk exceed one hundred, the county judge, with approval of the Department of Revenue, may appoint additional members to serve as panels of the board, provided further, however, that the number of additional members shall not exceed three for each one hundred additional appeals. The county judge shall designate one of the members to serve as chairman of the board. Where additional members are appointed, as provided herein, the chairman of the board shall designate one member of each additional panel as chairman of the panel. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions therefor. Each panel of the board shall have the same powers and duties given the board by KRS 133.120, except that all notices of increase in assessment by the board or any panel thereof shall be signed by the chairman of the board. The county judge shall appoint a person having the qualifications required of the original appointee to fill a vacancy resulting from any cause. The county clerk shall make sufficient copies of the order of appointment and deliver them to the sheriff who shall deliver a copy to each supervisor within a reasonable time after his appointment.

(2) The supervisors, before entering upon the discharge of their duties, shall take the following oath: "You swear that you will to the best of your ability discharge the duties required of you as a member of the county board of supervisors."

Section 22. Section 133.125 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county clerk, or an authorized deputy, shall act as clerk of the board of supervisors; and where additional board panels are appointed, as provided by law, one authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board of supervisors and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the county tax commissioner placed on the property, and the amount of change made in the assessment by the board of supervisors. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the tax commissioner and with the Department of Revenue within five days after the adjournment of the board.

(2) After receipt of the clerk's certification of the action of the board of supervisors, the county tax commissioners shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments ordered by the board of supervisors, and he shall turn the rolls over to the clerk within ten days after the board adjourns. Whereupon the clerk shall make a recapitu-

lation of the assessment by taxing districts and types of property and shall submit such recapitulation to the Department of Revenue not later than June 1, unless the time is extended by the department.

(3) The county clerk shall certify to the county court the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the supervisors for their services. On a presentation of a copy of the order, the Department of Finance shall draw a warrant on the State Treasurer in favor of the supervisors and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of supervisors of their county, and they shall be paid in the same manner as members of the board of supervisors are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board and for preparing the recapitulation in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

Section 23. Section 133.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue annually shall furnish to each county clerk tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls. These tax bill forms shall be furnished not later than ten days after the Kentucky Tax Commission has rendered its certification. The county annually shall furnish the county clerk with sufficient tax bill forms for his use in the preparation of tax bills for all taxpayers who are liable for a poll tax and who own no property assessed for taxation.

(2) After receiving the forms the county clerk shall make out for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the bills are bound, the cost of binding shall be paid out of the county levy. Each tax bill, other than a bill for tax on a motor vehicle, shall show the rate of tax upon each one hundred dollars worth of property for state, county, and school purposes; the name of the taxpayer and his mailing address; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; the county poll; the school poll; the school tax; and the total amount of taxes due the state, county, school fund, and other levies. Each tax bill for a motor vehicle shall show the rate of tax upon each one hundred dollars worth of property for state, county, and school purposes; the name of the taxpayer and his mailing address; the registration number for the assessment year; and the total amount of taxes due the state, county, school fund, and other levies. The county clerk shall attest each bill

by signing it officially. Provision shall be made for the sheriff to have a stub, duplicate, or other proper evidence of receipt of payment of each tax bill.

(3) Tax bills prepared in accordance with the certification of the Kentucky Tax Commission shall be delivered to the sheriff or collector by the county clerk before September 15 of each year. The clerk shall take a receipt showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the county clerk, filed in the county court, and recorded in the order book of the county court in the manner required by law for recording the official bond of the sheriff.

(4) Upon delivery to him of the tax bills, the sheriff or collector shall mail a notice to each taxpayer, showing the total amount of taxes due the state, county, school fund, and other levies, the date on which the taxes are due, and any discount to which the taxpayer may be entitled upon payment of the taxes prior to a designated date.

Section 24. Section 134.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) All state, county, and district taxes, except as otherwise provided by law, shall be due and payable on September 15 following the assessment; except that all taxes in any year on unmanufactured tobacco, money in hand, or money on deposit outside this state, shall be due and payable on the second succeeding September 15 following the assessment, unless otherwise provided by law.

(2) Any taxpayer who pays his state, county, or district taxes by November 1 after they become due in any year shall be entitled to two percent discount thereon, and the sheriff shall allow the discount and give a receipt in full to the taxpayer. The sheriff may, at any time after the taxes mentioned in this section become due, receive less than the face amount of the tax bill as a credit on the amount due, including the amount of any penalties then due; and every such payment shall be credited upon the tax bill or upon sheets annexed thereto for that purpose, and acknowledged in writing or by a rubber stamp, indicating the amount so paid to the sheriff.

(3) All state, county, and district taxes, except as otherwise provided by law, shall become delinquent on January 1 following their due date, except that all state, county, and district taxes on motor vehicles shall become delinquent on December 1 following their due date in the year 1961 and on December 1 following their due date in each year thereafter.

(4) Any taxes which are not paid by the date when they become delinquent shall be subject to a penalty of six percent on the taxes due and unpaid; except that taxes which became delinquent on January 1 shall be subject to a penalty of only two percent on the taxes due and unpaid, if paid on or before the last day of January. The sheriff shall

collect the penalty and account for it as he is required to collect and account for taxes.

Section 25. Section 134.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsection (5) of KRS 132.190, the holder of the legal title, the holder of the equitable title, and the claimant or bailee in possession of the property on the assessment date provided by law shall be liable for taxes thereon; but, as between themselves, the holder of the equitable title shall list the property and pay the taxes thereon, whether the property is in possession or not at the time of the payment.

(2) If property is sold less than two months after the assessment date, then, as between the purchaser and seller and in the absence of any contract to the contrary, the purchaser of the property shall pay the taxes thereon. If the property is sold more than two months after the assessment date, the seller shall pay the taxes.

Section 26. Section 134.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) The sheriff shall, by the tenth day of each month, or more often if required by the county court to prevent the sheriff from having funds in his possession in excess of the amount of his bond, report under oath to the county court the amount of state and county taxes he has collected during the month preceding, together with all fines, forfeitures, or money on any other account that has been received or collected by him for the preceding month. He shall show in this report the amount collected for and belonging to each particular fund for which the revenue or money may be intended, and the disposition of such revenue or money collected by him. The reports shall be filed and recorded in separate books furnished by the county court for that purpose, and they shall be open for inspection in the office of the county clerk.

(2) At the time of making the report to the county court, the sheriff shall pay to the county treasurer, or other officer designated by the fiscal court, all funds belonging to the county that were collected by him during the period covered in the report. He shall take a receipt from the county treasurer for the amount so paid, in duplicate, one duplicate to be retained by the sheriff and the other to be delivered by him to the county judge, who shall file it in his office.

(3) Any sheriff failing to pay over taxes collected by him and due the county, as provided by law, shall be required by the fiscal court to pay a penalty of one percent for each thirty-day period or fraction thereof plus interest at the legal rate per annum on such taxes. The fiscal court in its settlement with the sheriff shall charge him with such penalties and interest.

(4) The county judge may grant an extension of time, not to

exceed fifteen days, for filing the report required by KRS 134.300 (1) and the reports for all other levies made by the fiscal court whenever, in his judgment, good cause therefor exists. The extension shall be in writing and shall be recorded in the office of the county court clerk. The extension when granted shall suspend the penalty and interest for the duration of the extension. The penalty and interest shall apply at the expiration of the extension.

Section 27. Section 134.320 of the Kentucky Revised Statutes is amended to read as follows:

(1) The sheriff shall, by the tenth day of each month, or more often as may be required by the Department of Revenue to prevent the sheriff from having funds in his possession in excess of the amount of his bond, report under oath to the department the amount of all state taxes he has collected during the preceding month, or for such period as the department may require.

(2) The sheriff shall, at the time of making this report, pay to the department, for deposit with the State Treasurer, all taxes he has collected for the state for the preceding month or period.

(3) The department may report to the grand jury of Franklin County at each term of circuit court any sheriff failing to report as required. Any sheriff failing to pay over any taxes collected by him and due the state, as provided by law, shall be required by the department to pay a penalty of one percent for each thirty-day period or fraction thereof plus interest at the legal rate per annum on such taxes. The department in its settlement with the sheriff shall charge him with such penalties and interest.

(4) The Department of Revenue may grant an extension of time, not to exceed fifteen days, for filing the report required by KRS 134.320 (1) whenever, in its judgment, good cause therefor exists. The extension shall be in writing, and the department shall keep a record of such extensions. The extension when granted shall suspend the penalty and interest provided by KRS 134.320 (3) for the duration of the extension. The penalty and interest shall apply at the expiration of the extension.

Section 28. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever any motor vehicle shall become subject to a lien for property taxes, notice of the lien may be filed in the manner provided by this section. On or after December 1 but not later than December 31 following the assessment on March 1 of any year, the Department of Revenue, county, or other taxing district may direct the sheriff of the county where the motor vehicle was assessed to prepare notice of lien on a form prescribed by the Department of Revenue for only such delinquent ad valorem taxes as have been levied under the preceding March 1 assessment of motor vehicles. The

sheriff shall prepare the notice as directed and file it in the office of the county clerk. For preparing and filing the notice of lien, the sheriff shall charge a fee of twenty-five cents. The county clerk shall record the lien in the same manner as notices of lis pendens are recorded and shall attach the notice of lien to his copy of the motor vehicle registration receipt. The county clerk shall charge a fee of twenty-five cents for recording the lien.

(2) The fees of the sheriff and the clerk shall become a part of the lien as an added cost to the delinquent taxpayer and shall be added by the sheriff to the delinquent bill. From the total amount of property taxes collected on motor vehicles the sheriff shall withhold an amount necessary to defray the cost of the fees to him and the county clerk for preparing and recording the notice of liens on delinquent property tax bills on motor vehicles provided for in subsection (1). The sheriff shall receive credit on his final settlement with state, county, and other taxing districts for the amount of fees added for him and the clerk to delinquent tax bills from each taxing district for whom a lien was filed to be shared equally.

(3) For and on behalf of the state and other taxing districts, the county clerk may release any lien filed pursuant to the provisions of this section upon being supplied with proof of payment of the delinquent tax bill. The clerk shall charge a fee of one dollar for releasing the lien, which fee shall be paid by the delinquent taxpayer; and in no event shall any taxing jurisdiction be required to pay the release fee.

(4) Any release of the lien for taxes upon a motor vehicle made pursuant to this section shall in no manner release, limit, or reduce the lien for taxes on any other property owned by the same taxpayer.

Section 29. Section 131.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue shall be headed by the Commissioner of Revenue, who shall be the executive officer and shall have sole charge of the administration of the department, and shall perform all functions of the department.

(2) The Commissioner of Revenue, with two associate members, shall constitute the Kentucky Tax Commission. The Commissioner of Revenue shall be chairman of the commission.

(3) The Department of Revenue shall be organized for administrative convenience into divisions in accordance with Chapter 12 of the Kentucky Revised Statutes.

Section 30. Section 131.040 of the Kentucky Revised Statutes is amended to read as follows:

The Governor shall appoint two associate members of the Kentucky Tax Commission. The term of office of each associate member shall be four years. One associate member shall be appointed each four years beginning with 1937 and the other shall be appointed each four years beginning with 1938. The term of each shall begin on July 1. The commission shall be allotted such funds out of Department of Revenue appropriations as is necessary for its operations.

Section 31. Section 131.090 of the Kentucky Revised Statutes is amended to read as follows:

The functions of the Kentucky Tax Commission shall be:

(1) To hear and determine appeals from findings by the Department of Revenue and review appeals from rulings of county boards of supervisors on local assessments.

(2) To promulgate rules and regulations governing procedure before the commission.

(3) To equalize assessments of property assessed by county tax commissioners among the counties and certify such assessments to the county judge with a copy to the county clerk.

(4) To make certifications to the Superintendent of Public Instruction as provided in KRS 157.380.

Section 32. The Reviser of Statutes is authorized and directed to substitute Department of Revenue for Kentucky Tax Commission as the assessing agency in conformity with this Act.

Section 33. Sections 131.050, 131.060, 131.070, and 131.080 of the Kentucky Revised Statutes are hereby repealed.

Section 34. Section 136.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) The individual stockholders of a corporation shall not be required to list their shares for ad valorem taxation so long as the corporation pays taxes to the State of Kentucky on at least seventy-five percent of its total property, wherever located, provided, however, that bonds and obligations of the United States of America and its possessions and bonds and obligations of the State of Kentucky, its instrumentalities and its political subdivisions and their instrumentalities shall not be considered in the computation of the total property of the corporation, wherever located, nor in the computation of the amount of property upon which the corporation pays ad valorem taxes to the State of Kentucky. In order to obtain this exemption the stockholder must furnish satisfactory proof to the Department of Revenue that at least seventy-five percent of the total property of the corporation as hereinabove specified is taxed in the State of Kentucky.

(2) Every corporation organized under the laws of this state, or doing business in this state, whose stock is liable to assessment and taxation under subsection (1) of this section, except banks, trust companies, or combined banks and trust companies doing business in this state and domestic life insurance companies, shall by February 15 of each year make a true and correct report to the Department of Rev-

enue, verified by its president, secretary, treasurer or other chief officer, giving the names and addresses of residents of this state who hold its shares of stock and outstanding bonds as of January 1 previous thereto, and also for the transfer of any of its stocks or bonds by residents of this state to nonresidents within thirty days previous to January 1.

Section 35. Section 136.181 of the Kentucky Revised Statutes is amended to read as follows:

Boats, tugs, barges, and other watercraft of any nonresident person, corporation, partnership, or any other business association whose route or system is partly within this state and partly within another state or states, shall be valued by the Department of Revenue for purposes of taxation and shall be assessed as of January 1 each year by the Department of Revenue, and the department shall fairly divide, allocate, and certify such assessments to each county, city, town, or other taxing district within this state, within or through which such route or system is operated, the division, allocation, and certification to be determined in the following manner:

(1) The proportion of the value of the property which the length of the lines or route operated in this state bears to the total length of lines or route operated in this state and elsewhere, shall be considered in fixing the value of the property for taxation in this state. Any other reasonable evidence of value shall be considered in fixing the value, but such evidence must be prescribed by departmental regulations.

(2) After ascertaining the portions of the system valuation of such property attributable to this state, the Department of Revenue shall allocate the value of the property among the counties, cities, towns, and other taxing districts. The proportion which the length of line or route operated in that jurisdiction or taxing district bears to the total length of lines or route operated in this state shall be considered in this allocation and such other reasonable evidence of value as the Department of Revenue may by regulations prescribe.

Section 36. Section 136.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every domestic building and loan association making loans to members only shall, during January of each year, file with the Department of Revenue a report containing such information and in such form as the department may require.

(2) The department shall fix the total value, as of January 1 of each year, of the capital stock composed of shares of each building and loan association, excepting the shares of borrowing members where the amount borrowed equals or exceeds the amount paid in by those members. The department shall immediately notify each association of the value so fixed.

Section 37. Section 132.645 of the Kentucky Revised Statutes is amended to read as follows:

(1) The county tax commissioner of each county shall be paid from the State Treasury one-twelfth of his compensation each month to be computed by the Department of Revenue as provided in KRS 132.590 except that the county tax commissioner's annual compensation as provided in KRS 132.590 less amounts previously paid shall be used to compute his December compensation each year.

(2) Deputies, other authorized personnel, and other authorized expenditures of the county tax commissioner's office shall be paid from the State Treasury monthly as approved by the Department of Revenue as provided in KRS 132.590.

Section 38. Section 133.180 of the Kentucky Revised Statutes is amended to read as follows:

When the Kentucky Tax Commission has completed its action on the assessment of property in any county, it shall, not later than June 20, certify to the county clerk the assessment and the amount of taxes due with a copy of such certification to the Department of Revenue. The Department of Revenue shall charge the amount of taxes due from the county to the sheriff of the county. When any item of property is in process of appeal as provided in KRS 133.120, and the valuation has not been finally determined, the certification of such property shall be based on the valuation claimed by the taxpayer as the true value. The county clerk shall affix the certification to the tax books and enter it of record in the order book, and it shall be the sheriff's or collector's warrant for the collection of taxes.

Section 39. Section 132.390 of the Kentucky Revised Statutes is hereby repealed.

ARTICLE II.

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Corporation as used in KRS 136.120 through 136.180 means any corporation, company, association, partnership, or person performing any public service.

(2) Operating property as used in KRS 136.120 through 136.180 means both the operating tangible property and the franchise, and the payment of taxes on the assessment of operating property shall be deemed the payment of taxes on the operating tangible property and the franchise.

Section 2. Section 136.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every railway company, sleeping car company, chair car company, dining car company, gas company, water company, ferry company, bridge company, street railway company, interurban elec-

tric railroad company, express company, electric light company, electric power company, telephone company, telegraph company, bus line company, regular route common carrier trucking company, air transport company, pipeline company, common carrier water transportation company, and every other like company or business performing any public service shall annually pay a tax on its operating property to the state and to the extent such property is liable to taxation shall pay a local tax thereon to the county, incorporated city, and taxing district in which its operating property is located.

(2) The property of such taxpayers shall be classified as operating property, nonoperating tangible property, and nonoperating intangible property. Nonoperating intangible property within the taxing jurisdiction of the Commonwealth shall be taxable for state purposes only at the same rate as the intangible property of other taxpayers not performing public services, and operating property and nonoperating tangible property shall be subject to state and local taxes at the same rate as the tangible property of other taxpayers not performing public services.

(3) The Department of Revenue shall have sole power to value and assess all of the property of every corporation, company, association, partnership, or person performing any public service, including those enumerated above and all others to whom this section may apply, whether or not such operating property, nonoperating tangible property, or nonoperating intangible property has heretofore been assessed by said department, and shall, except as provided in subsection (4) of this section, allocate such assessment as provided by KRS 136.170, and shall certify operating property liable to local taxation and nonoperating tangible property to the counties, cities, and taxing districts as provided in KRS 136.180. All of the property assessed by the department pursuant to this section shall be assessed as of December 31 each year for the following year's taxes, and the lien therefor shall attach as of such assessment date. Provided, however, that in the case of a taxpayer whose business is predominantly nonpublic service and the public service business in which he is engaged is merely incidental to his principal business, the department shall in the exercise of its judgment and discretion determine, from evidence which it may have or obtain, what portion of the operating property is devoted to the public service business subject to assessment by the department under this section and shall require the remainder of the property not so engaged to be assessed by the local taxing authorities.

(4) (a) The Department of Revenue shall likewise have sole power to value and assess all the property within the taxing jurisdiction of this Commonwealth of every refrigerator car company, tank car company, coal car company, every like car company, and every irregular route common carrier truck company and may, in determining the proportion of the value of such property within the taxing jurisdiction of Kentucky, take into consideration the car or truck mileage made

by the cars or trucks of such companies. The department shall not certify the assessment of the rolling stock of such companies to any county, city, or taxing district, but shall apportion and certify the operating property, other than rolling stock, to the counties, cities, and taxing districts where such property is located. The rolling stock of such companies shall be taxable for state purposes only at the rate of two dollars and fifty cents upon each one hundred dollars of value, and shall not be subject to taxation by a county, city, or other taxing district.

(b) The property of taxpayers within the meaning of paragraph (a) of this subsection shall likewise be classified as operating property, nonoperating tangible property, and nonoperating intangible property. The nonoperating intangible property of the companies within the meaning of this subsection which are within the taxing jurisdiction of the Commonwealth shall be taxable for state purposes at the same rate as the intangible property of nonpublic service taxpayers.

(5) (a) Notwithstanding the provisions of subsections (3) and (4) of this section, every corporation, company, association, partnership, or person performing any public service who is required to be assessed under this Article shall annually list for assessment with the county tax commissioner and other local assessors in the county in which the vehicle is registered in the same manner as all other persons all of its motor vehicles registered in Kentucky. Any motor vehicle required to be registered by the Department of Motor Transportation shall be listed for assessment with the county tax commissioner and other local assessors in the county in which it is principally operated.

(b) Every corporation, company, association, partnership, or person performing any public service, required by subsection (5) (a) to list its motor vehicles with the county tax commissioner and other local assessors, shall pay the tax to the county sheriff and other local collectors in the same manner required for the payment of other ad valorem taxes.

Section 3. Section 136.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each corporation included in KRS 136.120 (1) shall annually, between December 31 and March 31 following, make and deliver to the Department of Revenue a report, verified by an officer of the corporation in such form as the department may prescribe, showing such of the following facts as may be requested by the department: The name and principal place of business of the corporation; the kind of business engaged in; the amount of capital stock, preferred and common, and the number of shares of each; the amount of stock paid up; the par and fair cash value of the stock; the highest price at which such stock was sold at a bona fide sale within twelve months next before December 31 of the year for which the report is required to be

made; the amount of surplus funds and undivided profits; the total amount of indebtedness as principal; the cost and year acquired of all operating property owned, operated, or leased, including property under construction, property held for future use, and the depreciation attributable thereto as of December 31, the cost and year acquired of all nonoperating tangible property and the depreciation attributable thereto; the cost and market value as of December 31 of all intangible property; the value of all other assets; the operating and nonoperating revenues, the net utility operating income before and after depreciation and before and after income taxes, the net income from operations, the net income including income from investments, and income from all other sources for twelve months next preceding December 31 of the year for which the report is required; the amount and kind of operating property in this state, and where situated in each county, city, and taxing district, assessed or liable to assessment in this state, and the fair cash value thereof, the length and description of all the lines operated, owned, or leased in this state and in each county, city, and taxing district; and such other facts as the department may require.

(2) The report shall cover the period of twelve months ending December 31. The department may change the date of the reports to conform to any change in date established by federal regulations.

(3) If any corporation is in the hands or under the control of a receiver or other person, by order of a court, the receiver or other person shall make the reports required by this section and by KRS 136.140.

(4) All public service corporations included in KRS 136.120 shall file with the report required by subsection (1) of this section a copy of all reports to their stockholders and a complete copy of their report to the Kentucky regulating authority for the year ending December 31.

Section 4. Section 136.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) If a public service corporation, foreign or domestic, operates and conducts its business in other states as well as in this state, the report required by KRS 136.130 shall show the following additional facts: the cost and year acquired of the operating property operated, owned, or leased, including property under construction, property held for future use, and depreciation attributable thereto for the property in this state as of December 31; and such other facts as the department may require.

(2) All public service corporations included in KRS 136.120 shall file with the report required by KRS 136.130 and this section a copy of all reports to their stockholders and a complete copy of their report to the federal regulating agency if their operations are interstate.

(3) Companies assessed under subsection (4) of Section 2 of this Article shall annually, between December 31 and March 31 following, make and deliver to the Department of Revenue a report verified by

an officer of the corporation in such form as the department may prescribe, showing the following facts: The name and principal place of business of the corporation; the kind of business engaged in; the cost of its rolling stock by types and the depreciation attributable thereto; the average age of the rolling stock by types; the rolling stock mileage made by the rolling stock in Kentucky and the rolling stock mileage made by the rolling stock everywhere for twelve months next preceding December 31 of the year for which the report is required; and such other facts as the department may require.

Section 5. Section 136.160 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue shall determine the fair cash value of the operating property of a domestic public service corporation as a unit. The fair cash value of the operating property shall be equalized.

(2) The Department of Revenue shall determine the fair cash value of the operating property of a foreign public service corporation or a domestic public service corporation with property or routes in Kentucky and outside Kentucky as a unit according to subsection (1). The fair cash value of the operating property everywhere valued as a unit shall be apportioned to Kentucky based on the average of the property factor and the business factor. The fair cash value of the operating property in Kentucky shall be equalized.

(a) The property factor shall fairly reflect the amount of operating property operated, owned, or leased in Kentucky compared to the total amount of operating property operated, owned, or leased everywhere. An allocable portion of the rolling stock, aircraft, and watercraft of a common carrier shall be included in the operating property operated, owned, or leased in Kentucky. This factor may be a single factor or an average of several factors.

(b) The business factor shall fairly reflect the utilization of the operating property operated, owned, or leased in Kentucky compared to the utilization of the operating property operated, owned, or leased everywhere. This factor may be a single factor or an average of several factors.

(3) The Department of Revenue shall deduct the motor vehicle assessment made with the county tax commissioner after the valuation of the operating property in Kentucky is made and equalized according to subsection (1) or (2) of this section.

(4) The nonoperating tangible and nonoperating intangible property of public service corporations whose operating property is valued according to either subsections (1) or (2) shall be valued by the Department of Revenue in the same manner and according to the same standards as if this property were valued by the county tax commissioner in the county where the property has a taxable situs.

Section 6. Section 136.170 of the Kentucky Revised Statutes is amended to read as follows:

The Department of Revenue shall allocate the assessed value of the operating property in this state among the counties, cities, and other taxing districts. The location of operating property and the proportion which the length of line or route operated in such state district bears to the total length of lines or route operated in this state shall be considered in this allocation and such other reasonable evidence of value as the Department of Revenue may by regulations prescribe; provided, however, that the assessed value of nonoperating tangible property shall be allocated to the county, city, or other taxing district where the property is situated.

Section 7. Section 136.180 of the Kentucky Revised Statutes is amended to read as follows:

The Department of Revenue shall, immediately after fixing the assessed value of the operating property and other property of a public service corporation for taxation, notify the corporation of the valuation, and the amount of assessment for state and local purposes. When the valuation has been finally determined, the department shall immediately certify to the county clerk of each county in which any of the operating property or nonoperating tangible property assessment of the corporation is liable to local taxation, the amount thereof liable for county, city, or district tax. The certificate shall be filed by each county clerk in his office, and by him certified to the proper collecting officer of the county, city, or taxing district for collection.

Section 8. Section 136.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) The superintendent of schools in each district in which any individual, group or individuals or corporation, operates public utility or other franchise taxpaying property assessed under KRS 136.120 shall, on or before the first day of January, 1957, furnish to the county clerk of the county in which the district is situated, to each franchise taxpayer within the district, and to the Department of Revenue the boundary of his school district. The superintendent of schools in each district in which any franchise-paying corporation, individual, or group of individuals operates shall, on or before the first day of January, 1958, and each year thereafter, furnish to the county clerk, to each franchise taxpayer within the district, and to the Department of Revenue any changes made in the boundary of his school district during the immediate preceding twelve months.

(2) The engineer of cities of the first class and the city clerk of cities of the second, third, fourth, fifth, and sixth classes shall notify the county clerk, each franchise taxpayer within the city, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1).

(3) The responsible governing official or the chairman of the governing body of any taxing district other than the county, school district, or city shall notify the county clerk, each franchise taxpayer within the district, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1).

Section 9. Section 136.200 of the Kentucky Revised Statues is amended to read as follows:

The assessment of railroad bridges spanning any river that constitutes a boundary of the state shall be allocated to the counties in which they are located, and the local tax derived therefrom shall be applied to each city, county, or taxing district in which the bridges are located.

Section 10. Sections 136.210 and 136.220 of the Kentucky Revised Statutes are repealed.

ARTICLE III

Section 1. Section 141.205 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall permit or require any parent corporation or subsidiary corporation doing business within this state to file a consolidated return covering the entire operations of the parent corporation and its subsidiaries, whenever it finds that the inter-corporate transactions of the related group tend to reduce the net income of the corporation, or corporations, doing business within this state below the amount that would probably result if such corporation, or corporations, was not a member of the related group.

(2) The department is authorized and empowered, in such manner as it may determine, to assess the tax against any of the corporations whose net income is involved in the consolidated return upon the basis of the combined net income and such other information as it may possess, or it may adjust the tax in such other manner as it shall determine necessary to prevent avoidance of taxes or to clearly reflect the net income earned by such corporation or corporations from property located and business done within this state.

(3) Any corporation owning or controlling either directly or indirectly eighty per cent or more of the voting stock of another corporation shall be deemed a parent corporation for purposes of this section. Any corporation having a parent corporation shall be deemed a subsidiary corporation for purposes of this section. Corporations having a common parent shall be considered members of a related group.

(4) If the consolidated return required under this section is not filed within sixty days after demand by the department, said parent corporation or subsidiary corporation or both, shall be subject to the penalty provided in this chapter for failure to file returns.

(5) In the case of a corporation doing business in this state and not permitted or required to file a consolidated return under subsection (1) of this section that carries on transactions with stockholders, directly or indirectly, the department shall adjust the net income of such corporation to an amount that would result if such transactions were carried on at arm's length.

(6) In the case of a corporation which is not permitted or required to file a consolidated return under subsection (1) of this section and which participates in the filing of a consolidated return under Section 1501 of the Internal Revenue Code, deduction for federal income tax shall be determined in the same manner as if the corporation had filed a separate return under the Internal Revenue Code and paid the tax accordingly.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) For all taxable years beginning on or after January 1, 1961, every corporation subject to taxation under KRS 141.040 shall make a declaration of estimated tax if the tax imposed by KRS 141.040 for the taxable year can reasonably be expected to exceed five thousand dollars.

(2) The declaration required under subsection (1) shall contain the following information:

(a) The amount which is estimated as the amount of tax under KRS 141.040 for the taxable year;

(b) The excess of the amount estimated under paragraph (a) over five thousand dollars, which excess for purposes of this Article shall be considered the estimated tax for the taxable year;

(c) Such other information as the department by forms or regulations may prescribe.

(3) The declaration required under subsection (1) shall be filed with the department on or before May 15 of the taxable year, except that if the requirements of subsection (1) are first met:

(a) After May 1 and before September 2 of the taxable year, the declaration shall be filed on or before September 15 of the taxable year;

(b) After September 1 of the taxable year, the declaration shall be filed on or before December 15 of the taxable year.

(4) A corporation may make amendments of a declaration filed during the taxable year in accordance with regulations prescribed by the department. An amendment of a declaration may be filed in any interval between the installment dates prescribed for that taxable year but only one amendment may be filed in each such interval. If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased as the case may be, to reflect the increase or decrease of the estimated tax by reason of such

amendment. If any amendment is made after September 15 of the taxable year, any increase in the estimated tax by reason thereof shall be paid in full at the time of making such amendment.

(5) A corporation with a taxable year of less than twelve months shall make a declaration in accordance with regulations prescribed by the department.

(6) The department may grant a reasonable extension of time for filing declarations and paying the estimated tax under such rules and regulations as it may prescribe. If any extension operates to postpone a payment of estimated tax, interest at the rate of one-half of one per cent per month or part thereof shall be collected.

Section 3. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The estimated tax provided for in Section 2 shall be paid as follows:

(a) If the declaration is filed on or before May 15 of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time of the filing of the declaration. The second and third installments shall be paid on September 15 and December 15, respectively, of the taxable year.

(b) If the declaration is filed after May 15 and not after September 15 of the taxable year and is not required by Section 2 of this Article to be filed on or before May 15 of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time of the filing of the declaration and the second installment on December 15 of the taxable year.

(c) If the declaration is filed after September 15 of the taxable year and is not required to be filed on or before September 15 of the taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

(d) If the declaration is filed after the time prescribed in Section 2 of this Article, including cases where extensions of time have been granted, paragraphs (a), (b), and (c) of this subsection shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in Section 2 of this Article, and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.

(2) In the case where the tax computed under Chapter 141, of the Kentucky Revised Statutes, is less than the amount which has been declared and paid as estimated tax for the same taxable year, a refund shall be made upon the filing of a return, together with interest on such overpayment at the rate of six per cent per annum from the fifteenth day of the seventh month following the close of the taxable

year for which the return is filed, or from the fifteenth day of the fourth month following the filing of the return if the return is filed later than the normal filing date.

(3) (a) Overpayment resulting from the payment of estimated tax in excess of the amount determined to be due upon the filing of a return for the same taxable year may be credited against the amount of estimated tax determined to be due on any declaration filed for the next succeeding taxable year or for any deficiency or nonpayment of tax for any previous taxable year.

(b) No refund shall be made of any estimated tax paid unless a complete return is filed as required by Chapter 141, Kentucky Revised Statutes.

(4) At the election of the taxpayer, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

(5) In the application of this section and Section 2 to the case of a taxable year beginning on any date other than January 1, there shall be substituted for the months specified therein the relative months and dates which correspond thereto.

Section 4. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) In the case of any underpayment of estimated tax by a corporation, except as provided in subsection (4), there shall be added to the tax computed under Chapter 141, Kentucky Revised Statutes, for the taxable year, an amount determined at the rate of six per cent per annum upon the amount of underpayment determined under subsection (2) for the period of underpayment determined under subsection (3).

(2) For the purposes of subsection (1) the amount of underpayment shall be the excess of (a) the amount of installment which would be required to be paid if the estimated tax were equal to seventy per cent of the tax shown on the return for the taxable year, or if no return was filed, seventy per cent of the tax for such year over (b) the amount, if any, of the installment paid on or before the last date prescribed for payment.

(3) The period of underpayment shall run from the date the installment was required to be paid, to whichever of the following dates is earlier:

(a) The fifteenth day of the fourth month following the close of the taxable year;

(b) With respect to any portion of the underpayment, the date on which such portion is paid.

For the purpose of this subsection, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined to be due under subsection (2) (a) above for such installment date.

(4) Notwithstanding the provisions of the preceding subsections, the addition of the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to have been paid on such date if the estimated tax were whichever of the following is the lesser:

(a) The tax shown on the return of a corporation for the preceding taxable year reduced by $5,000, if the return showing liability for the tax was filed by the corporation for the preceding taxable year and such preceding year was a taxable year of twelve months.

(b) An amount equal to the tax computed at the rates applicable to the taxable year, but otherwise on the basis of the facts shown on the return of the corporation and the law applicable to the preceding taxable year.

ARTICLE IV

Section 1. Section 138.344 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who shall purchase gasoline, on which the tax as imposed by KRS 138.220 has been paid, for the purpose of operating or propelling stationary gasoline engines or tractors for agricultural purposes, shall be reimbursed to the extent of ninety percent of the tax so paid on such gasoline; provided, however, that no refund shall be authorized unless applications therefor and all necessary information shall be filed with the Department of Revenue within ninety days after the close of a calendar year during or in which such purchases were made; or at any time during the calendar year during or in which such purchase was made; and further provided that no refund shall be authorized for purchases of less than fifty gallons.

(2) The only information to be required from the permit holder, by the Department of Revenue, in order that such refund may be allowed, is as follows:

(a) Name and address of permit holder---------------------- ----------------permit number------------.

(b) Total number of gallons purchased-------------and total purchase price--------------(Invoices to be attached to refund application)

(c) Total number of gallons used in tractors on highways------.

(d) Total number of gallons on which refund is claimed------ -------- (Line b minus line c)

Section 2. Section 138.450 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 138.460 and 138.470, unless the context requires otherwise:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail.

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires.

(3) "Retail price" for new motor vehicles shall be determined by the price for which the vehicle with all equipment and accessories, standard and optional, is sold by regularly authorized dealers in motor vehicles in the county in which the license is applied for, or, if not sold in that county, then in the nearest county in which the motor vehicle is sold; for used motor vehicles it shall be determined by the value given in the Automotive Reference Manual prescribed by the Department of Revenue.

Section 3. Section 138.460 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax levied upon ninety percent of its retail price at the rate of three percent shall be paid on the use in this state of every motor vehicle, except those exempted by KRS 138.470, at the time and in the manner provided in this section.

(2) The tax shall be collected by the county clerk or other officer with whom the vehicle is required to be registered when he collects the registration fee for registering and licensing the motor vehicle the first time it is offered for registration in this state. The tax shall be accounted for to the Department of Revenue as registration and license fees are by law accounted for. The county clerk shall be paid by the state, for his services in collecting the tax, an amount equal to two percent of the tax collected and accounted for.

(3) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, unless the owner pays the motor vehicle usage tax in addition to the registration and license fees.

(4) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, unless the seller or his agent delivers to the county clerk or other officer a certified or photostat copy of the manufacturer's price label for passenger cars or a certified or photostat copy of the itemized billing to the customer in the case of all other motor vehicles; and the clerk shall attach the certified or photostat copy to the copy of the registration certificate mailed to the department.

Section 4. Section 138.565 of the Kentucky Revised Statutes is amended to read as follows:

(1) An excise tax of seven cents per gallon is hereby levied and shall be paid by the special fuels dealer to the department on all taxable special fuels delivered to the licensed special fuels user-seller, or withdrawn by the special fuels dealer to propel any motor vehicles on the public highways either within or without this state, except a special fuels dealer engaged in the business of transporting persons for hire who shall pay said tax with respect to special fuels actually used in this state. An allowance of one percent of the tax shall be made to the special fuels dealer to cover unaccountable losses, bad debts, and handling and reporting the tax.

(2) Two-sevenths of all amounts received by reason of the tax paid under subsection (1) shall be set aside by the Department of Highways for the construction, reconstruction, and maintenance of rural and secondary roads and for no other purpose.

(3) No other excise or license tax shall be levied or assessed on special fuels by any political subdivision of the state.

Section 5. Section 138.655 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 138.655 to 138.725 and 138.990 (17) and (18), unless the context requires otherwise:

(1) "Department" means Department of Revenue;

(2) "Person" includes every natural person, fiduciary, association, state or political subdivision, or corporation. Whenever used in any clause describing and imposing imprisonment the term "person" as applied to an association means and includes the partners or members thereof, and as applied to a corporation the officers thereof;

(3) "Public highway" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel notwithstanding that it may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair or reconstruction;

(4) "Motor vehicle" means any vehicle, machine or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semi-trailer attached to or having its front end supported by such motor vehicle;

(5) "Motor carrier" means every person who operates or causes to be operated on any highway in this state, any bus engaged in hauling passengers for hire operating under a certificate of convenience and necessity and any truck or tractor-trailer combination having a total of three or more axles. The number of axles referred to herein shall include not only those axles on the power unit but if a tractor-trailer combination is involved, also those axles on the trailer or semi-

trailer. The term "motor carrier" shall include every common and contract carrier possessing authority as such from the Interstate Commerce Commission together with those engaged in transporting in interstate commerce in this state commodities not regulated by the Interstate Commerce Commission. The term "motor carrier" shall not mean or shall not include any person operating or causing to be operated a city bus except city buses operated across the border of the State of Kentucky;

(6) "City bus" means any motor vehicle used for the transportation of persons for hire exclusively within the limits of any city or within ten miles of its limits over a regular route and exclusively within the boundaries of this state;

(7) "Heavy equipment motor carrier" means any person who operates on the public highways of this state as a "motor carrier" as defined in subsection (5) of this section, except that it shall not include motor vehicles used to transport persons for hire;

(8) "Trip permit" means a permit for the operating during a ten consecutive day period of any "heavy equipment motor carrier" not licensed under KRS 138.665;

(9) "Licensee" means for purposes of KRS 138.655 through 138.725 any person who has been granted a license as a "motor carrier" or a "heavy equipment motor carrier";

(10) "Use" means the consumption of gasoline and special fuels in propelling motor vehicles on the public highways;

(11) "Gasoline" means gasoline as defined in KRS 138.210 (4);

(12) "Special fuels" means and includes all combustible gases and liquids used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, except that it does not include gasoline as defined in KRS 138.210 (4);

(13) "Quarterly" for the purposes of KRS 138.655 to 138.725 means a three-month period ending June 30 in the year 1956 and each succeeding three-month period thereafter.

Section 6. Section 138.695 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every licensee subject to the tax imposed by subsections (1) and (2) of KRS 138.660 shall be entitled to a credit for each quarterly period equivalent to seven cents per gallon on gasoline and seven cents per gallon on special fuels purchased by such licensee during such period for use in its operations on public highways within and without this state, provided such gasoline and special fuels were purchased in Kentucky during the same period and the tax imposed by KRS 138.220 and KRS 138.565 has been paid. Evidence of the payment of such tax in such form as may be required by or satisfactory to the department shall be furnished by each such licensee claiming the credit herein allowed.

(2) The department shall at the close of each quarterly period, ending September 30, December 31, March 31, and June 30, compute all credits granted by the department during such quarter, which credits shall be, except as provided in subsection (3), applied only to taxes due on any report filed for the next consecutive two quarters, except that no credit shall operate to reduce the amount of surtax due under KRS 138.655 to KRS 138.725.

(3) If the credit or credits referred to in subsections (1) and (2) would expire solely by reason of the lapse of time allowed in subsection (2), then the balance of any credit shall be refunded to the licensee, provided application therefor and all necessary information shall be filed with the department within sixty days after the time the credit would otherwise expire as provided in subsection (2), provided a tax is paid to another state or states for use of said gasoline or special fuels, and provided the tax return required by KRS 138.685 is filed on time and credit claimed thereon. Refunds shall be applicable only to credits that result from Kentucky taxpaid purchases starting July 1, 1960 and thereafter. No refund shall operate to reduce the amount of any surtax due under KRS 138.655 to KRS 138.725.

(4) In order to facilitate administration of the credits and refunds allowed herein, the department shall prescribe what records must be kept by the licensee or any other person and the department shall also prescribe the form and content of said records and any reports to be made relative thereto.

Section 7. Section 138.705 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department may audit the books and records of each licensee who has at any time since the last audit was made applied for a credit or refund thereunder and make such other investigations as it deems necessary to determine whether the credits or refunds applied for constitute proper claims.

(2) If gasoline or special fuels taxes are erroneously credited or refunded, the department shall advise the licensee of the erroneous credit or refund. If the licensee fails to reimburse the Commonwealth within fifteen days after the receipt of notice, an action may be instituted by the department in the Franklin Circuit Court and the department shall recover from the licensee the amount of the erroneous credit or refund plus a penalty of twenty percent.

Section 8. A new section of the Kentucky Revised Statutes is created to read as follows:

The exemptions allowed under KRS 279.200 and KRS 279.530 shall not apply to the taxes levied under KRS Chapter 138 and no refund shall be allowed by reason of the provisions of KRS 279.200 or KRS 279.530.

Section 9. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) City and suburban bus companies operating under a certificate of convenience and necessity issued pursuant to KRS chapter 281 shall be entitled to a refund of two-sevenths of the amount of KRS chapter 138 taxes paid on motor fuels used in their regularly scheduled operations in Kentucky.

(2) No person shall be entitled to a refund hereunder unless he shall have first filed with the Department of Revenue a bond with approved surety in an amount of not less than one thousand dollars nor more than five thousand dollars to be determined by the Department of Revenue, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds to which he was not entitled.

(3) Applications for refund shall on or before the last day of each month following the quarter, September 30, December 31, March 31, and June 30, be made to the Department of Revenue on forms and in the manner prescribed by it for the refund of tax paid on motor fuel used by buses during the quarter. Each application for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses; the date and quantity of each purchase; the vendor from whom such fuel was purchased; the number of gallons on which refund is claimed; and such other information as the Department of Revenue may require. The application shall be made under oath.

(4) The Department of Revenue shall audit the application and make such other investigation as it deems necessary to determine whether it constitutes a proper claim. When the Department of Revenue is satisfied that a refund is proper it shall authorize two-sevenths of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts.

(5) When the Department of Revenue finds that an application for a refund contains a false or fraudulent statement or that a refund has been fraudulently obtained, the Department of Revenue shall refuse to grant any refunds to the person making such false or fraudulent statement or fraudulently obtaining a refund for a period of two years from the date of such findings.

(6) The Department of Revenue may prescribe, adopt and enforce regulations relating to the administration and enforcement thereof;

(7) The refund provided herein shall be effective on motor fuel purchased July 1, 1960 and thereafter.

Section 10. Section 186.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every manufacturer of, or dealer in, motor vehicles in this

state shall register with each county clerk in which his principal office or place of business and any branch office or sub-agent or agency is located, and pay an annual registration fee of twenty-five dollars to each clerk. Upon receipt of this fee, the clerk shall issue the manufacturer or dealer a certificate of registration and one dealer plate. Every manufacturer or dealer registered under this section shall be furnished additional dealer's plates upon the payment of five dollars for each plate so desired. A motor vehicle bearing dealer's plates may be used only by a member of the firm registered or by a bona fide salesman or employe of the firm for any purpose reasonably connected with the sale or demonstration for sale and delivery of the dealer's motor vehicles, or by any manufacturer or dealer licensed as provided in transporting any motor vehicle over the highways of this state to his place of retail business from a manufacturer or wholesale dealer in motor vehicles. Any dealer in motor vehicles may allow any bona fide customer or the customer's employes to use the dealer's tag on the motor vehicle that is being demonstrated. This provision shall be limited to one trip or demonstration to the same prospective customer.

(2) Each manufacturer and dealer when making application for dealer's plates shall file a verified statement with the clerk, giving the name and address of each member of the firm and each bona fide salesman or employe entitled to the use of the plates for demonstration purposes only. When any bona fide salesman or employe so registered is no longer in the employ of the firm, an amended verified statement shall be filed with the clerk showing that fact, and when any additional salesmen or employes are employed, an amended verified statement shall be filed with the clerk showing that fact, and when any additional salesmen or employes are employed, an amended verified statement showing their names and addresses shall be filed with the clerk so that the records in the clerk's office will at all times show the bona fide salesmen and employes actually in the service of the registered dealer or manufacturer.

(3) Any manufacturer or dealer violating any of the provisions of this section may be cited by the Department of Revenue to show cause at a public hearing before the Kentucky Tax Commission why his dealer's license should not be suspended and his dealer's plates cancelled by the commission. The manufacturer or dealer shall be notified by registered letter or summons. Upon cause the Kentucky Tax Commission shall have the power to suspend for the period of not less than thirty days nor more than ninety days the manufacturer's or dealer's license and to cancel his dealer's plates. The aggrieved manufacturer or dealer may appeal from the ruling of the Kentucky Tax Commission according to the provisions of KRS 131.120. Such manufacturer or dealer whose license has been suspended is prohibited from engaging in the business of selling or buying motor vehicles. The license of any manufacturer or dealer shall be revoked for a period of one year and his dealer's plates cancelled in the event

he violates any of the provisions of this section during this suspension period or has been suspended by the commission more than twice for violations of this section. At the end of the revocation or suspension period the manufacturer or dealer whose license has been revoked or suspended and dealer's plates cancelled may follow the provisions of this section and again be registered and secure dealer's plates from the clerk.

Section 11. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The county clerk shall not transfer the registration of any motor vehicle unless evidence is presented in such form as the department may prescribe that all excise taxes imposed on the sale, transfer or use of the motor vehicle have been paid. In any case where the transferor or transferee is a dealer as defined in KRS 190.010, no proof of payment of such taxes is required.

(2) Any clerk who violates this section shall be subject to the penalties prescribed in KRS 186.990 (1).

Section 12. A new section of the Kentucky Revised Statutes is created to read as follows:

If a motor vehicle dealer acquires a used motor vehicle by cash trade-in or in any other manner and fails to have the registration transferred to his name prior to the time the vehicle is sold or otherwise transferred to another person, he shall be cited by the Department of Revenue to show cause at a public hearing before the Kentucky Tax Commission why his dealer's license should not be revoked and his dealer's plates cancelled by the commission.

Section 13. A new section of the Kentucky Revised Statutes is created to read as follows:

The Department of Revenue is hereby authorized and empowered to design, issue and regulate the use of temporary permits for use in cases where dealers' plates cannot be used. No such temporary permit shall be valid in any event for more than five days. A person purchasing said permit shall pay a fee of twenty-five cents per permit to the clerk for his services. The Department of Revenue is hereby authorized and empowered to promulgate rules and regulations for the administration of this section.

ARTICLE V

Section 1. Section 243.730 of the Kentucky Revised Statutes is amended to read as follows:

(1)(a) Wholesalers of distilled spirits and wine shall pay and report the tax levied by KRS 243.720 (1)(2) on or before the fifteenth day of the calendar month next succeeding the month in which possession or title of the alcoholic beverages is acquired, in accordance with rules and regulations of the Department of Revenue designed reasonably to protect the revenues of the Commonwealth.

(b) After March 31, 1960, brewers of malt beverages shall pay and report the tax levied by KRS 243.720 (3) on or before the fifteenth day of the calendar month next succeeding the month in which the brewer sells, transfers, or passes title of the malt beverage to a distributor, retailer or consumer within this state, in accordance with rules and regulations of the Department of Revenue designed reasonably to protect the revenues of the Commonwealth.

(2)(a) Every wholesaler of distilled spirits or wine before using, selling or distributing by sale or gift distilled spirits and wine shall qualify with the Department of Revenue. In order to so qualify, and in lieu of furnishing a bond or other security, each wholesaler who was licensed in this state on February 29, 1960, shall make an advance payment of tax to the Department in an amount equal to twice the average monthly liability of such wholesaler for taxes imposed by KRS 243.720 (1) (2) during the calendar year 1959 as shown by records of the Department. If such wholesaler shall have in his possession unused tax stamps which he has already purchased from the Department, he may apply the unused stamps toward the amount of tax required by this subsection according to the rules and regulations of the Department.

(b) Any person who acquired or who shall acquire a license as a wholesaler of distilled spirits or wine on or after March 1, 1960 shall immediately prepare and file a report on a form prescribed by the Department. Such report shall contain an estimate of the total number of wine gallons of distilled spirits and the total number of gallons of wine for which the wholesaler expects to become liable for the payment of tax under KRS 243.720 (1)(2) during the first twelve months that he is engaged in business. Immediately upon the receipt of the report from the wholesaler, the Department shall determine the average monthly amount of tax imposed by KRS 243.720 (1)(2) for which it appears that the wholesaler may become liable and shall bill the wholesaler for an amount of tax equal to twice the monthly average. The Department shall have the power to adjust the estimate in order to make it conform as nearly as practicable with the past experience of other wholesalers who have been engaged in business for twelve months or more, and in no event shall the advance payment required of any new wholesaler be less than one-half of the average amount of advance payments required under paragraph (a) of this subsection, as determined by the Department. The bill for advance tax shall be due and payable immediately upon receipt by the wholesaler. He shall make payment to the Department by cashier's or certified check before using, selling or distributing by sale or gift any distilled spirits or wine.

(3)(a) Beginning April 1, 1960, every brewer before selling or distributing by sale or gift malt beverages, or before importing malt beverages into the state, shall qualify with the Department of Revenue. In order to so qualify, each brewer who was licensed in this state on

February 29, 1960, or who was qualified to import malt beverages into this state on February 29, 1960, shall make an advance payment of tax to the Department in an amount equal to twice the average monthly liability of such brewer for taxes imposed by KRS 243.720 (3) during the calendar year 1959 as shown by records of the Department. If such brewer shall have in his possession unused barrel stamps which he has already purchased from the Department, he may apply the unused barrel stamps toward the amount of tax required by this subsection according to the rules and regulations of the Department.

Upon application and proof of previous compliance with the payment and reporting of the tax in accordance with the applicable regulations, the department may substitute bond, with or without approved surety, as determined in its discretion upon consideration of the financial condition of the applicant, for one-half of the advanced payments made pursuant to subsections (2) and (3) of this section, and the amount of such prepayment for which bond is substituted shall be applied as credits on the tax due by such brewer. The balance of such prepayments shall be refunded, in cash or by credit, only at such time as the brewer ceases doing business in Kentucky in accordance with the rules and regulations of the department.

(b) Any person who acquired or who shall acquire a license as a brewer, or who shall apply for authority to import malt beverages into this state on or after March 1, 1960, shall immediately prepare and file a report on a form prescribed by the Department. Such report shall contain an estimate of the total quantity of malt beverages for which the brewer expects to become liable for the payment of tax under KRS 243.720 (3) during the first twelve months that he is engaged in business. Immediately upon the receipt of the report from the brewer, the Department shall determine the average monthly amount of tax imposed by KRS 243.720 (3) for which it appears that the brewer may become liable and shall bill the brewer for an amount of tax equal to twice the monthly average. The Department shall have the power to adjust the estimate in order to make it conform as nearly as practicable with the past experience of other brewers who have been engaged in business for twelve months or more, and in no event shall the advance payment required of any new brewer be less than one-half of the average amount of advance payment required under paragraph (a) of this subsection, as determined by the Department. The bill for advance tax shall be due and payable immediately upon receipt by the brewer. He shall make payment to the Department by cashier's or certified check before selling or distributing malt beverages or before importing malt beverages into this state.

(4) No part of any advance payment made pursuant to subsections (2) and (3) of this section shall be subject to refund but shall be restored to the wholesaler or brewer in the form of a credit or credits only at such time as the wholesaler or brewer ceases doing business in Kentucky according to rules and regulations of the Department.

(5) This section shall not be construed in any manner which would require any wholesaler or brewer who has already made an advance payment of tax prior to the effective date of this Article according to rules and regulations of the Department of Revenue to make any additional advance payment in order to qualify hereunder.

(6) The Department is hereby authorized and empowered to require a corporate surety bond in an amount satisfactory to the Department from all persons who were qualified to import malt beverages into this state on February 29, 1960, but who did not in fact import any malt beverages during the calendar year 1959, before such person shall import malt beverages after the effective date of this Article.

Section 2. Sections 243.740, 243.750, 243.760, 243.770, 243.780, 243.800, 243.810, 243.820, 243.830, 243.840 and 243.860 of the Kentucky Revised Statutes are repealed.

Section 3. Section 243.900 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Any person who, by himself or acting through another, directly or indirectly, violates any of the provisions of KRS 243.020 to 243.670, for which no other penalty is provided, shall, for the first offense, be fined not less than one hundred nor more than two hundred dollars, or be imprisoned in the county jail or workhouse for not more than six months, or both; and for the second and each subsequent violation, he shall be fined not less than two hundred nor more than five hundred dollars, or be imprisoned in the county jail or workhouse for not more than six months, or both. The penalties provided for in this subsection shall be in addition to the revocation of the offender's license.

(2) Any person who, by himself or through another, directly or indirectly, violates subsection (1) of KRS 243.020 shall, for the first offense, be fined not less than one hunderd nor more than two hundred dollars, or be imprisoned in the county jail or workhouse for not more than six months, or both; for the second offense he shall be fined not less than two hunderd nor more than five hundred dollars, or be imprisoned in the county jail or workhouse for not more than six months, or both; and for the third and each subsequent offense, he shall be fined not less than five hundred nor more than five thousand dollars, or be imprisoned in the penitentiary for not more than five years, or both.

(3) Any person who violates subsection (3) of KRS 243.020 shall be fined not less than one hundred nor more than five hundred dollars.

(4) Any person who violates KRS 243.620 with respect to a license issued under KRS 243.050 shall be fined not less than fifty nor more than five hundred dollars.

(5) Any person who violates any of the provisions of KRS 243.680 to 243.700 shall be fined not less than five hundred nor more than one thousand dollars.

(6) Any person who fails to pay the taxes imposed by KRS 243.680 to 243.700 within fifteen days after they have become due, shall pay a penalty of twenty percent on the amount of the tax due.

(7) Any person who violates any of the provisions of KRS 243.720 or 243.730 or any regulation issued thereunder shall be fined not less than fifty dollars nor more than one thousand dollars, or be imprisoned for not less than thirty days nor more than one year, or both.

(8) Any person required to pay any tax imposed by KRS 243.720 or 243.730, who fails to pay the tax when due shall pay a penalty equal to twenty percent of the amount of the tax due and delinquent together with interest at six percent per annum.

(9) If after withdrawing distilled spirits under KRS 243.870 any person sells same, or any part thereof, or places same in the ordinary channels of trade, he shall be fined not less than five hundred dollars nor more than two thousand dollars or imprisoned for not less than thirty days nor more than sixty days, or both.

ARTICLE VI

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

When the Department of Revenue claims that a decedent was domiciled in Kentucky at the time of death and the taxing authorities of another state or states make a similar claim with respect to their state or states, the Commissioner of Revenue may enter into a written agreement with such taxing authorities and the executor, administrator or trustee, fixing the sum acceptable to the department in full settlement of the inheritance or estate taxes imposable under Chapter 140 of the Kentucky Revised Statutes. Such agreement shall also fix the sum acceptable to such other state or states in full settlement of the death taxes imposable by such state or states.

If the aggregate amount payable under such agreement to the states involved is less than the maximum sum allowable as a credit to the estate against the Federal estate tax imposed thereon, then the executor, administrator or trustee shall also pay to the State of Kentucky as an estate tax so much of the difference between such aggregate amount and the amount of such credit as the amount payable to Kentucky under the agreement bears to such aggregate amount.

Section 2. Section 395.230 of the Kentucky Revised Statutes is repealed.

ARTICLE VII

Section 1. If any section, subsection, clause, sentence or phrase of this Act which is reasonably separable from the remaining portions of this Act is for any reason held to be unconstitutional, such decision shall not affect the remaining portions of this Act. The Legislature hereby declares that it would have passed the remaining portion of this Act irrespective of the fact that any such section, subsection, clause, sentence or phrase of this Act be declared unconstitutional.

Section 2. To carry out the purposes of Section 17 of Article I of this Act there is hereby appropriated to the Department of Revenue out of the General Expenditure Fund in the State Treasury the sum of thirty-five thousand dollars for fiscal year 1960-61. Notwithstanding the provisions of KRS 45.230, any unexpended or unencumbered balance of such appropriation for fiscal year 1960-61 remaining at the end of such fiscal year shall be carried forward and be available for expenditure at any time during the 1961-62 fiscal year and no portion shall lapse to the General Expenditure Fund until after the 1961-62 fiscal year.

Section 3. The provisions of subsection (1) of Section 14, Section 16, Section 18, and Section 19 of Article I of this Act shall become effective the first Monday in December, 1961.

Section 4. The provisions of Section 20 and Section 23 of Article I of this Act shall become effective March 1, 1961.

Section 5. The provisions of Section 37 of Article I of this Act shall become effective July 2, 1960.

Section 6. The provisions of Article IV of this Act shall become effective July 1, 1960.

Section 7. All revenues accruing under this Act shall be credited to the General Expenditure Fund, except Article IV.

Section 8. All revenues which accrue to the General Expenditure Fund from Sections 2 and 3 of Article III of this Act during 1960-61 and 1961-62 not otherwise appropriated are hereby appropriated to the Capital Construction Fund to be used under the provisions of KRS, Chapter 56.

Section 9. Whereas, it is imperative to conserve the revenues of the local taxing districts of the Commonwealth, an emergency is declared to exist, and Article II of this Act shall become effective upon its passage and approval by the Governor.

Section 10. Whereas, regulations which discontinue the use of stamps, tax crowns and lids as the means of evidencing the payment of taxes imposed by KRS 243.720 have already been promulgated by the Department of Revenue, an emergency is declared to exist and Article V of this Act shall become effective upon its passage and approval by the Governor.

HB 201, AN ACT amending and re-enacting KRS 382.520 to provide that mortgages shall secure not only the original indebtedness but also all extensions and renewals thereof, and providing that such mortgages may secure any other indebtedness to the extent expressly provided for in the mortgage.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 382.520 of Kentucky Revised Statutes is amended and re-enacted to read as follows:

In all cases where a loan is made by a bank, trust company, or building and loan association incorporated and doing business under the laws of this Commonwealth or incorporated and doing business under the laws of the United States of America, the mortgage originally executed and delivered by the borrower or borrowers to the bank, trust company or building association shall secure payment of all renewals and extensions of said loan and the note evidencing it, whether so provided in the mortgage or not; and the mortgage may secure any additional indebtedness, whether direct, indirect, existing, future, contingent or otherwise, to the extent expressly authorized by the mortgage, provided the mortgage by its terms stipulates the maximum additional indebtedness which may be secured thereby.

HB 416, AN ACT relating to obstructing and littering highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 433.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall throw or deposit upon any public highway any glass, nail, tack, hoop, wire, can or any other substance likely to injure any person, animal or vehicle.

(2) Any person removing a wrecked or damaged vehicle from a highway shall remove any glass or other injurious substance dropped upon the highway from such vehicle.

(3) Any person who violates this section shall be fined not less than twenty-five dollars nor more than three hundred dollars.

Section 2. Section 433.750 of the Kentucky Revised Statutes is amended to read as follows:

Any person who picks, pulls, digs, tears up, cuts, breaks, burns or otherwise damages any tree, shrub, flower, vine, bush or turf on the right of way of any state highway or county road or upon any land set aside, dedicated or maintained by this state as a public park or as a refuge or sanctuary for wild animals, birds or fish, or deposits, throws or leaves any trash, debris or litter upon any such public highway or public land, without having first obtained permission in writing of the engineer having charge of the maintenance of the highway, or the superintendent or custodian of the park, refuge or sanctuary shall be fined not less than twenty-five dollars or more than three hundred dollars.

HB 506, AN ACT relating to operators' licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 186 is created to read:

(1) Every applicant who has reached his sixteenth birthday but has not reached his eighteenth birthdate shall be eligible for receipt of a provisional operator's license, subject to the usual provisions of all applications and examinations.

(2) The provisional operator's license is a special license, to be issued to sixteen and seventeen year old operators only, and shall be subject to all rules, regulations, and laws governing operators' licenses except that the Department may prescribe rules and regulations governing the issuing, use, suspension, revocation, or cancellation of it.

(3) Nothing in this section is intended to alter the provisions of the issuing or retaining of the permanent operator's license except that no person shall be eligible for the permanent operator's license until he has reached the age of eighteen years.

(4) Whenever a provisional operator's license is suspended, revoked, or cancelled according to the rules, regulations, or laws of this state, the privilege to operate a motor vehicle of such provisional licensee shall remained cancelled until the licensee shall have attained his eighteenth birthday.

(5) In every event, when the holder of a provisional operator's license reaches his eighteenth birthday, the provisional license shall expire and the holder must apply for and obtain a permanent operator's license before operating a motor vehicle upon the highways. Such application shall be made in the manner prescribed for the permanent operator's license except that the Department may require the applicant to submit to such review examination as the Department may prescribe.

(6) The fee for the provisional operator's license shall be identical to that of the permanent operator's license.

(7) All licenses heretofore issued to sixteen and seventeen year old operators prior to the enactment of these provisions shall be subject to the rules, regulations, and laws governing the provisional operator's license.

HB 437, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 157.320 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 157.310 to 157.440, unless the context otherwise requires:

(1) "Average daily attendance" means the aggregate days at-

tended by pupils in a public school, divided by the actual number of days the school is in session for the year;

(2) "Average daily membership" means the aggregate days of membership of pupils in a public school divided by the actual number of days the school is in session for the year;

(3) "Board" means the board of education of any county or independent school district;

(4) "Classroom unit" means the unit for measuring educational needs for foundation program purposes;

(5) "District" means any school district as defined by law;

(6) "Elementary school" means a school consisting of grades one through eight, or any appropriate combination of grades within this range, as determined by a plan of organization for schools authorized by the district board;

(7) "Foundation program" means the level of educational services and facilities, as defined in KRS 157.310 to 157.440, which is to be provided in each district from the required local tax effort and the public school foundation program fund;

(8) "Isolated school" means an elementary or secondary school which had fewer than one hundred pupils in average daily attendance during the previous school year and which meets such standards for isolation as shall be prescribed by the regulations of the State Board of Education, based on factors to include distance by the nearest passable road from another appropriate school center which is able to receive the pupils, and the time for transportation necessary to attend another school;

(9) "Public school foundation program fund" means the fund created by KRS 157.330 for use in financing in public elementary and secondary schools;

(10) "Regulations of the State Board of Education" means those regulations which the State Board of Education may adopt upon the recommendation and with the advice of the Superintendent of Public Instruction. The Superintendent of Public Instruction shall recommend for adoption of the State Board of Education such rules and regulations as he deems necessary for carrying out the purposes of KRS 157.310 to 157.440;

(11) "Required local tax effort" means the amount of money required to be provided by a district from local revenue sources;

(12) "Secondary school" means a school consisting of grades seven through twelve, or any appropriate combination of grades within this range as determined by the plan of organization for schools authorized by the district board. When grades seven through nine or ten are organized separately as a junior high school, or grades ten through twelve are organized separately as a senior high school and are conducted in separate school plant facilities, each shall be con-

sidered a separate secondary school for the purposes of KRS 157.310 to 157.440;

(13) "Single salary schedule" means a schedule adopted by a local board and approved by the State Board of Education upon recommendation of the Superintendent of Public Instruction which is based on training, experience and such other factors as the State Board of Education may approve and which does not discriminate between salaries paid elementary and secondary teachers; and

(14) "Teacher" means any regular or special teacher, principal, supervisor, superintendent, assistant superintendent, librarian, director of pupil personnel, or other member of the teaching or professional staff engaged in the service of the public elementary and secondary school for whom certification is required as a condition of employment.

Section 2. Section 157.350 of the Kentucky Revised Statutes is amended to read as follows:

Each district which meets the following requirements shall be eligible to share in the distribution of funds from the public school foundation program funds:

(1) Employ and compensates all teachers for not less than 185 days, provided, that the State Board of Education, upon recommendation of the Superintendent of Public Instruction, shall prescribe procedures whereby this requirement may be reduced during any year for any district which employs teachers for less than 185 days, in which case the eligibility of a district for participation in the public school foundation program shall be in proportion to the length of time teachers actually are employed.

(2) Operates all schools for a term as provided in KRS 158.070 and regulations of the State Board of Education, provided, however, that if the school term is less than 185 days for any reason approved by the State Board of Education on recommendation of the Superintendent of Public Instruction the eligibility of a district for participation in the public school foundation program fund shall be in proportion to the length of term the schools actually operate.

(3) Compensates all teachers on the basis of a single salary schedule and in conformity with the provisions of this Act;

(4) Makes the required local tax effort except as otherwise provided by subsection (3) of KRS 157.400;

(5) Includes no nonresident pupils in its average daily attendance, except by written agreement with the district of the pupils' legal residence.

Section 3. Section 157.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the Superintendent of Public Instruction shall allot to each

district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for special instructional services for exceptional children, classroom units for superintendents, principals and their certificated assistants and special instructional service personnel, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one classroom unit shall be included for each twenty-seven pupils in average daily attendance; provided, however, that one classroom unit shall be included for each isolated one-teacher school and one unit shall be included for each twenty-five pupils in average daily attendance at all other isolated schools; provided, however, that one twenty-seventh of a classroom unit shall be included for each pupil in average daily attendance at Lincoln Institute if such attendance is under provisions of a written contract between Lincoln Institute and the district of the pupils' legal residence.

(3) Allotments of classroom units in accordance with subsection (1) of this section shall be made on the average daily attendance for the previous school year; provided, however, that if the average daily attendance in any district for the first two months of the current school year is greater than the average daily attendance of the district for the first two months of the previous school year, upon application of the district board, made prior to December 1, the total number of classroom units allotted the district shall be increased by the percent of increase; and provided further, that if the average daily attendance of any district shall have been reduced more than three percent during the previous school year due to such factors as epidemics, inclement weather, or disaster, upon application of the district superintendent, made before July 1 of that year, the number of classroom units allotted the district for the ensuing school year shall be increased by the difference in percent between the ratio of the average daily attendance to the average daily membership for the scholastic year just ended, and the ratio of the average daily attendance to the average daily membership for the two highest of the three preceding scholastic years.

(4) In allotting classroom units for vocational education, one classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the State Plan of Vocational Education as approved by the State Board of Education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach evening- part-time, or short unit classes for less than a school day or a school year that meet the regulations of the State Plan of Vocational Education as approved by the State Board of Education.

(5) In allotting classroom units for special instructional services for exceptional children, one classroom unit shall be included for each teacher approved to teach such children in accordance with the provisions of law and regulations of the State Board of Education.

(6) In allotting classroom units for superintendents, principals, their certificated assistants, and special instructional service personnel, the total number of classroom units allotted in subsections (2), (4), and (5) shall be divided by eight and the quotient shall be the number of classroom units allotted to the district for superintendents, principals, their certificated assistants and such special instructional service personnel as are authorized by regulations of the State Board of Education.

(7) In allotting classroom units for supervisors of instruction, one-half of a classroom unit shall be allotted each district which is allotted twenty-five through forty-nine classroom units under subsections (2), (4), and (5); one unit shall be allotted each district which is allotted fifty to one hundred classroom units, one unit shall be allotted for each one hundred classroom units, or major fraction thereof, in districts allotted more than one hundred classroom units under these subsections.

(8) In allotting classroom units for directors of pupil personnel, one classroom unit shall be allotted each district which is allotted thirty-six to one hundred and sixty-six classroom units under subsection (2) and a unit for each additional two hundred and sixty-six classroom units or fraction thereof allotted under subsection (2). For districts having fewer than thirty-six classroom units, a proportionate fraction of a classroom unit shall be allotted.

(9) In allotting classroom units under subsections (1) through (8) the Superintendent of Public Instruction, under regulations of the State Board of Education, may allot units on the basis of an area larger than a district for educational services which cannot be adequately and economically provided on a district basis.

Section 4. Section 157.370 of the Kentucky Revised Statutes is amended to read as follows:

(1) In determining the cost of the Foundation Program for each district, the Superintendent of Public Instruction shall determine the average cost per pupil per day of transporting pupils in districts having a similar density of transported pupils per square mile of area served by not less than nine different density groups.

(2) The annual cost of transportation shall include all current costs for each district plus annual depreciation of pupil transportation vehicles calculated in accordance with the regulations of the State Board of Education for such districts that operate district-owned vehicles.

(3) The aggregate and average daily attendance of transported pupils shall include all public school pupils transported at public ex-

pense who live one mile or more from school, provided that handicapped children may be included who live less than this distance from school. The aggregate and average daily attendance referred to in this subsection shall be the aggregate and average daily attendance of transported pupils the prior year adjusted for current year increases in accordance with State Board of Education regulations.

(4) The square miles of area served by transportation shall be determined by subtracting from the total area in square miles of the district the area not served by transportation, determined in accordance with the regulations of the State Board of Education provided that if one district authorizes another district to provide transportation for a part of its area, such area served shall be deducted from the area served by that district and added to the area served by the district providing the transportation.

(5) The density of transported pupils per square mile of area served for each district shall be determined by dividing the average daily attendance of transported pupils by the number of square miles of area served by transportation.

(6) The Superintendent of Public Instruction shall determine the average cost per pupil per day of transporting pupils in districts having a similar density by constructing a smoothed graph of cost for all density groups as provided in paragraph one. This graph shall be used to construct a scale showing the average costs of transportation for districts having a similar density of transported pupils. Such costs shall be determined separately for county school districts and independent school districts, provided that no independent school district will receive an average cost per pupil, per day in excess of the minimum received by any county district or districts. These costs shall be the cost per pupil per day of transported pupils included in the Foundation Program and such costs shall be recalculated each biennium.

(7) The scale of transportation costs included in the Foundation Program for county and independent districts is determined in accordance with the provisions of this Act for the biennium beginning July 1, 1960.

Section 5. Section 157.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before July 1 of each year the Department of Revenue shall determine the aggregate asssesed value of all property subject to assessment for school tax purposes, and shall determine the percentage the equalized value of property in each district is of the total equalized value of all property in the Commonwealth subject to taxation for school purposes and shall certify such information to the Superintendent of Public Instruction for use in determining the required local tax effort for each district. If such assessment has not become final by July 1 of any year, the Department of Revenue shall, on the basis of other information as may be available, make an

estimate of the assessment of all property subject to local school tax in each school district and the estimate shall be used in lieu of the aggregate assessed value.

(2) In determining the required local tax effort for districts which participate in the public school foundation program fund, the Superintendent of Public Instruction shall divide the aggregate assessed value of all property in the Commonwealth subject to taxation for school purposes by one hundred and multiply the quotient thereof by one dollar and ten cents. The product thereby obtained shall be multiplied by each district's percentage of the total equalized value of all property in the Commonwealth subject to taxation for school purposes.

(3) Any district's levy shall be at such rate as is necessary to provide the required local tax effort.

Section 6. Section 157.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree and who have earned twenty-four semester hours of additional approved graduate work;

Rank II. Those holding regular certificates and who have a master's degree or its equivalent;

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent;

Rank IV. Those holding certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than this rank;

Rank V. Those holding certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent;

Rank VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent;

Rank VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent.

In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(2) The amount to be included in the 1960-61 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule for each rank:

Rank I	$4400
Rank II	4100
Rank III	3800
Rank IV	2800
Rank V	2500
Rank VI	2100
Rank VII	1800

Beginning with the school year 1961-62, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule for each rank:

Rank I	$4600
Rank II	4300
Rank III	4000
Rank IV	2900
Rank V	2600
Rank VI	2200
Rank VII	1900

Provided, the amount to be included for vocational units, supervisory units, and units for administrators, directors of pupil personnel and special instructional services shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the Superintendent of Public Instruction under regulations of the State Board of Education. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by nine hundred dollars.

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by six hundred dollars.

(5) The amount to be included in the Foundation Program of each district for transportation shall be determined by multiplying the

aggregate attendance of transported children by the allowable cost per pupil per day for that district determined in accordance with the provisions of KRS 157.370.

(6) The total cost of the foundation program for each district shall be the sum of the allotments in subsections (2), (3), (4), and (5) of this section.

Section 7. Section 157.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) The amount of money distributable to each district from the public school foundation program fund shall be determined by subtracting the required local tax effort from the total foundation program allotment for the district as determined in KRS 157.390.

(2) If it shall be determined in KRS 157.400 subsection (1) that the amount of money distributable to a school district for the school year 1960-61 shall be less than $120 per pupil in average daily attendance and, beginning in the 1961-62 school year, that the amount of money distributable to a school district shall be less than $125 per pupil in average daily attendance, then the apportionment for that district shall be increased to $120 per pupil in average daily attendance and, beginning in the 1961-62 school year, then the apportionment for that district shall be increased to $125 per pupil in average daily attendance; provided, however, if a district fails to provide the total potential classroom units under KRS 157.360 subsections (2), (6), (7) and (8) and at least as many classroom units under KRS 157.360 subsections (4) and (5) as were provided in 1955-56, any increase in the apportionment called for in this subsection shall be reduced to the extent that the district fails to provide the classroom units.

The average daily attendance referred to in this subsection shall be the prior year average daily attendance of the district adjusted proportionally for any increase in classroom units allotted the district under provisions of KRS 157.360 subsection (2).

The classroom units requirement under this subsection relating to classroom units under KRS 157.360 subsections (4) and (5) may be waived for any district by the Superintendent of Public Instruction when it is shown that the need for these educational services no longer exists.

(3) In the event a district whose appropriation is increased under subsection (2) of this section is allotted classroom units under KRS 157.360 subsections (4) and (5) in excess of the number of such units allotted that district in 1955-56, then the allotment to that district determined in subsection (2) of this section shall be increased by the Foundation Program cost of these units determined in accordance with KRS 157.390 subsections (2), (3) and (4).

(4) If the allotment to a school district as determined in KRS 157.400 subsections (2) and (3) is an amount less than $35 per pupil in average daily attendance plus the allotment for that school district in

1959-60, then the allotment shall be increased by an amount necessary to provide a final amount equal to the 1959-60 allotment plus $35 per pupil in average daily attendance; provided, however, if a district fails to provide the total potential classroom units under KRS 157.360 subsections (2), (6), (7) and (8) and at least as many classroom units under KRS 157.360 subsections (4) and (5) as were provided in 1955-56, any increase in the apportionment called for in this subsection shall be reduced to the extent that the district fails to provide the classroom units.

(5) If a district fails for any reason to make the required local tax effort, as provided in KRS 157.380, the amount of the apportionment of the public school foundation program fund to be paid to such district under subsections (1), (2), (3) and (4) of this section shall be reduced by the percentage of loss from the required local tax effort.

(6) So much of the public school foundation program fund which would not be distributed under subsections (1) through (5) inclusive of this section, due to the failure of one or more participating districts to meet the full requirements, shall be held in the account of distribution the following year among districts which meet the requirements for participation.

Section 8. Section 157.420 of the Kentucky Revised Statutes is amended to read as follows:

Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund:

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates. The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS 157.390, and no teacher shall be paid less than ninety percent of the public school foundation program fund allotment for that rank.

(2) The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following capital outlay purposes:

(a) For direct payment of construction costs;

(b) For debt service on voted and funding bonds;

(c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For the retirement of any deficit resulting from over expenditure for capital construction, if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550;

(e) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets; provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction, under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

If a survey shows that a school district has no capital outlay needs as shown in (a), (b), (c) and (d) above, upon approval of the Superintendent of Public Instruction, these funds may be used for school plant maintenance, repair, insurance on buildings, and replacement of equipment.

Section 9. Section 157.430 of the Kentucky Revised Statutes is amended to read as follows:

If, when the apportionments are being determined under the provisions of KRS 157.310 to 157.440, funds appropriated by the General Assembly to the public school foundation program fund plus that portion of the funds required from local tax effort are insufficient to provide the amount of money required under usbsections (1), (2), and (4) of KRS 157.400, the Superintendent of Public Instruction shall make a percentage reduction in the allotments determined in these subsections for each district to the extent necessary to reduce the total of these allotments to funds available, provided that no district shall receive less than the amount that it received in its per capita apportionment in 1955-56, provided further that it meets the requirements set forth in KRS 157.350 and subsections (2), (4) and (5) of KRS 157.400. The revenue available after the provisions of KRS 157.400 subsections (1), (2) and (4) have been met shall be apportioned to meet, in so far as possible, the provisions of KRS 157.400 subsection (3).

Senator Ware moved that the Senate adjourn until ten a.m., March 16. Agreed.

WEDNESDAY, MARCH 16, 1960

FIFTY-EIGHTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators C. S. Howard, D. W. Howard and Overbey, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 15 dispensed with and the same approved on motion of Senator Ware.

Motions

Senator Ware moved the Senate to take up **SB 250** for concurrence in the House Amendments. Agreed.

Senator Ware moved the adoption of House Amendment #1 to **SB 250.** Agreed.

Said Amendment #1 to **SB 250** is as follows:

"On page 22, section 27, line 1 By dleting after Chapter the number "28" and substituting therefor the number "288."

Senator Ware moved the adoption of House Amendment #2 to **SB 250.** Agreed.

Said Amendment #2 to **SB 250** is as follows:

"On page 5, section 7, lines 5 through 9 By striking the last two sentences of Section 7 contained in lines 5 through 9."

Senator Ware moved the adoption of House Amendment #3 to **SB 250.** Agreed.

Said Amendment #3 to **SB 250** is as follows:

On page 5, section 6 (3), lines 18, 19 and 20 By striking said lines and substituting therefor the following:
"shall give written notice to the director, who, if he finds that the interests of the community will be served thereby, shall"

Senator Ware moved the Previous Question on **SB 250,** as amended.

On the roll call, the vote was: Yeas 20—Bassett, Brand, Blue, Bonn, Derickson, Duffy, Duncan, Francis, Garnett, Hickerson, Hubbard, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Richmond, Ware; Nays 4—Conley, Craft, Hamilton, Logan. **SB 250** was passed and the title agreed to.

Senator Ware moved the Senate to take up **SB 184** for concurrence in the House Amendments. Agreed.

Senator Francis moved the adoption of House Amendment # 1 to **SB 184.** Agreed.

Said Amendment #1 to **SB 184** is as follows:

On page 11, section 1, between the lines 284 and 285 by inserting between lines 284 and 285 the following:

"424.360. Invitation to bid on municipal bonds. No sale of general obligation bonds or revenue bonds of any governmental unit or political subdivision, or agency thereof, shall be made except upon newspaper advertisements for bids, published for the publication area constituted by the political subdivision or government unit and published to afford state-wide notice. If the bonds are in principal amount of fifty thousand dollars or more, an advertisement for bids shall also be published in a publication having general circulation among bond-buyers."

Senator Francis moved the adoption of House Amendment #2 to **SB 184.** Agreed.

Said Amendment #2 to **SB 184** is as follows:

On page 5, section 1, line 107 by adding to line 107 in paragraph (c) the following sentence:

The provisions of this subparagraph shall not be construed to require the advertisement of notice of delinquent state taxes which are collected by the State.

Senator Ware moved the adoption of Amendment # 3 to **SB 184.** Agreed.

Said Amendment #3 to **SB 184** is as follows:

On page 1, section 1, Line 3, by deleting line 3 in its entirety and inserting in lieu thereof the following: "424.340, 424.360 and 424.990 of the Kentucky Revised Statutes are"

Senator Francis moved the Previous Question on **SB 184,** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware, White, Young. Nays 0. **SB 184** was passed and the title agreed to.

Senator Ware moved the President to appoint a Conference Committee to meet with a like committee pertaining to **HB 109.**

Report on Enrolled Bills

Committee on Enrollment reported **SB 135, SB 148, SB 132, SB 200, SB 137, SB 136, SB 93, SB 230** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bills delivered, signed by Speaker. Ordered delivered to the Governor.

House Message

Announcing passage of **HB 497.**

Calendar

HB 321, HB 320, HB 351, HB 287, HB 481, HB 520, HB 521, HB 518, HB 529, HB 523, HB 354, HB 344, HB 385, HB 356, HB 517, HB 348, HB 476, HB 472, HB 376, HB 332, HB 357, HB 127, HB 288, HB 519, HB 505, HB 201, HB 416, HB 506, HB 437 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Orders of the Day

SB 283 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **SB 283** by Senator C. H. Davis, who moved the adoption. Agreed.

Said Amendment #1 to **SB 283** is as follows: "Amend printed copy of **SB 283** on pages 1 & 2, Section 2, lines 1 thru 13, by deleting Section 2 in its entirety."

Senator C. H. Davis moved the Previous Question on **SB 283,** as amended.

On the roll call, the vote was: Yeas 27—Bassett, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 283** was passed and the title agreed to.

Senator C. H. Davis moved that the vote by which **SB 283** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 218 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **SB 218.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Raney, Richmond, Ware, White, Young. **SB 218** was passed and the title agreed to.

Senator Kinkead moved that the vote by which **SB 218** was passed be reconsidered and said motion be laid on the table. Agreed.

SB 282 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Craft moved the Previous Question on **SB 282.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Bonn, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 282** was passed and the title agreed to.

Senator Craft moved that the vote by which **SB 282** was passed be reconsidered and said motion be laid on the table. Agreed.

SR 62 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Bishop moved the adoption of **SR 62.** Agreed.

SR 62, A CONCURRENT RESOLUTION relating to water resources development.

WHEREAS, the State of Kentucky has more miles of running streams than any other state in the Union, and

WHEREAS, there is a great need for water in connection with the expansion of industry, the conservation of natural resources, the realization of expanding recreational needs, the abatement of pollution, in agricultural development, the development of parks, the premotion of tourism, the enhancement of fish and wildlife habitat, and for increasing domestic uses, and

WHEREAS, the State Flood Control and Water Usage Board, by the provision of KRS 104.390 et seq. is charged with the responsibility of studying and reviewing for the State as its official body all surveying reports, engineering reports and other data which might effect the usage of the water resources of the State, and

WHEREAS, the Department of Parks is charged with the responsibility of developing public parks throughout the entire State, utilizing natural and artificial impoundments of water for public recreation uses, and

WHEREAS, the Department of Fish and Wildlife Resources is charged with the responsibility of promoting the conservation and propagation of fish and other aquatic life in the streams and impoundments of the Commonwealth, and

WHEREAS, the Department of Conservation is charged with the responsibility of promoting the conservation of the natural resources of the Commonwealth, and

WHEREAS, the Department of Economic Development is charged with the responsibility of facilitating industrial location in the State of Kentucky and of enhancing industrial and business opportunity within the State of Kentucky, and

WHEREAS, the Kentucky Water Pollution Control Commission is charged with the responsibility of improving the purity and quantity of the elimination of pollution of the waters of the Commonwealth, and

WHEREAS, the Department of Highways is engaged in a comprehensive program of construction of roads and highways in the Commonwealth of Kentucky involving substantial fills in gorges and valleys, making possible new lake sites, and

WHEREAS, it is the sense of the Senate of the General Assembly of the Commonwealth of Kentucky, and the House concurring therein, that every effort should be made to develop fully the water resources of the Commonwealth of Kentucky,

NOW, THEREFORE,

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

1. That the State Flood Control and Water Usage Board, the Department of Parks, the Department of Fish and Wildlife Resources, the Department of Conservation, the Department of Economic Development, the Kentucky Water Pollution Control Commission and the Department of Highways are directed to work harmoniously and cooperatively in discovering practical locations and possible sites for lakes and impoundments of water to more fully develop the potential water resources of the Commonwealth of Kentucky.

2. That full information concerning the programs and objectives of each such agency be made available to the other agencies mentioned herein for the purpose of realizing the full development of water resources development objectives.

3. That this resolution supersede all prior declarations of policy of the Legislature concerning the cooperative development of water resources within the Commonwealth of Kentucky.

4. That copies of this resolution be sent to the Governor of this Commonwealth and each of the Departments and Agencies of State Government mentioned herein.

SB 284 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **SB 284.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Duffy, Francis, Garnett, Hehl, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **SB 284** was passed and the title agreed to.

Senator Ware moved that the vote by which **SB 284** was passed be reconsidered and said motion be laid on the table.

HB 444 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 444,** which motion lost.

Amendment #1 to **HB 444** offered by Senator Bassett.

Said Amendment #1 to **HB 444** is as follows:

Amend printed copy of **HB 444** on page 2, section 3, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 3, section 4, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 3, section 5, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 3, section 6, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 4, section 8, line 1 following the word "Legislature" by inserting the words "or any elected state official"

Amendment #1 to **HB 444** was rejected.

Senator Ware moved that **HB 444** be laid on the Clerk's desk. Agreed.

Recess

Senator Ware moved that the Senate recess until 1 p. m. Agreed. At the appointed hour, the President called the Senate to order.

Senator Ware moved suspension of the Rules for the purpose of introducing a Resolution. Agreed.

Introduction of Resolution

SR 65, by Senator Ware: A RESOLUTION authorizing and directing the Legislative Research Commission to make a study of the laws of Kentucky relating to homicide.

Senator Ware moved the adoption of **SR 65.** Agreed.

SR 65, A RESOLUTION authorizing and directing the Legislative Research Commission to make a study of the laws of Kentucky relating to homicide.

WHEREAS, there is a widespread belief among members of the bar, lawmakers, criminologists and sociologists that the laws of Kentucky relating to homicide are inadequate or antiquated;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission is authorized and directed to make a study of the laws of Kentucky relating to homicide including acts which constitute a penal offense and the amount of types of punishment incident thereto, and to report its findings based on such study to the 1962 Session of the General Assembly of the Commonwealth of Kentucky.

SB 226 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Bonn moved the Previous Question on **SB 226.** Agreed.

On the roll call, the vote was: Yeas 17—Bassett, Blake, Blue, Bonn, Conley, Mrs. J. H. Davis, Duffy, Francis, Garnett, Hamilton, Hickerson, Jackson, Kidwell, McCann, Overbey, Richmond, Young. Nays 10—Bishop, Craft, C. H. Davis, Derickson, Duncan, Hubbard, Johnson, Kelly, Logan, Martin. **SB 266** was passed and the title agreed to.

Senator Bonn moved that the vote by which **SB 226** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 438 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 438.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 2—Blake, Duncan. **HB 438** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 438** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 267 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Conley moved the Previous Question on **HB 267**. Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Blake, Conley, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Melton, Miller, Raney, Richmond, Ware, White. Nays 1—Bishop. **HB 267** was passed and the title agreed to.

Senator Conley moved that the vote by which **HB 267** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 270 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 270**. Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Blake, Brand, Blue, Conley, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, White. Nays 0. **HB 270** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 270** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 277 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 277**. Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Conley, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Ranye, Richmond, Ware, White, Young. Nays 0. **HB 277** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 277** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 342 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 342.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Blue, Conley, C. H. Davis, Mrs J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, Young. Nays 2—Johnson, Miller. **HB 342** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 342** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 245 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the adoption of Amendment #1 to **HB 245,** by Senator Bonn. Agreed.

Said Amendment #1 to **HB 245** is as follows: Amend printed copy of **HB 245** on page 1, section 1, line 12 by adding thereto the following after the word "consumption" the words "and also to charitable or fraternal organizations holding group meetings, picnics, or outings."

Senator Duffy moved the Previous Question on **HB 245,** as amended.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Blake, Blue, Conley, C. H. Davis, Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Hubbard, Jackson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 2—Johnson, Overbey. **HB 245** was passed and the title agreed to.

Senator Duffy moved that the vote by which **HB 245** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 159 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 159,** by Senator Ware, who moved the adoption. Agreed.

Amendment #1 to **HB 159** is as follows:

Amend printed copy of **HB 159** by deleting all after the enacting clause and inserting in lieu thereof:

Section 1. Section 7.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) There is hereby created a Legislative Research Commission composed of the Lieutenant Governor, the President Pro Tem of the

Senate, the Speaker of the House of Representatives, the majority and minority Floor Leaders of the Senate and House of Representatives, and the majority and minority Caucus Chairmen of the Senate and House of Representatives. Any vacancy in the commission shall be filled by the remaining members thereof, provided, if the vacancy is in the membership of the House of Representatives then the successor shall be from the House, and if the vacancy is from the Senate membership of the commission then the successor shall be from the Senate. A member thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor. The Lieutenant Governor shall be ex officio chairman of the commission.

(2) The Legislative Research Commission shall meet during regular and special sessions of the General Assembly, and during the intervals between sessions at such times and places as the chairman may determine. Meetings of the Commission shall be called by the chairman on his own initiative, or at the written request of any three members of the Commission. For attending meetings between sessions, whether regular or special, of the General Assembly, the members of the Commission, or any sub-committee thereof, shall be paid their necessary traveling expenses and in addition thereto twenty-five dollars per day.

(3) The Commission shall appoint a director, who shall have had graduate training in government in a recognized university or college or practical experience in governmental administration, and who shall hold office at the pleasure of the Commission. The salary of the director shall be determined by the Commission. The Commission shall have exclusive jurisdiction over the employment of such personnel as may be necessary to effectuate the provisions of KRS 7.090 to 7.110.

(4) Any professional, clerical or other employes required by any committee appointed by the General Assembly shall be provided to the committee by the Legislative Research Commission. The chairman of the committee shall advise the director of the Legislative Research Commission of his need for such personnel. In the event that the personnel required by any committee cannot be met by the staff of the Legislative Research Commission, the director shall employ such personnel as necessary to meet the needs of the committee, and shall fix the rate of compensation of such employes.

(5) The director shall, at the discretion of the Commission and under its supervision and control, provide for the allocation of the work and activities of all employes of the Commission.

(6) The Commission may, in effectuating the provisions of KRS 7.090 to 7.110, contract with any public or private agency or educational institution or any individual for research studies, the gathering of information or the printing and publication of its reports.

Section 2. Whereas, it is necessary that the additional members from the respective Houses assume membership on the Commission as soon as possible to assist in the effective organization of the Commission for the coming biennium, an emergency is declared to exist and that this Act is to take effect immediately upon its passage and approval by the Governor.

Senator Ware moved the Previous Question on **HB 159,** as amended.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HB 159** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 159** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 439 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 439.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Blake, Brand, Blue, Conley, Craft, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 4—Bassett, Hamilton, Johnson, Miller. **HB 439** was passed and the title agreed to.

Senator Ware moved to reconsider the vote by which **HB 439** was passed for the purpose of amendments. Agreed.

Amendment #1 to **HB 439,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 439** is as follows:

Amend printed copy of **HB 439** on page 16, 17 and 18, Section 3: page 16, delete subsection (4) (lines 13 through 19); page 17, delete subsection (11) (lines 49 through 53); page 18, in subsection (12) after the word "recipient" on line 57 delete the words "or to a general assistance recipient." And renumber all subsequent subsections accordingly.

Amendment #2 to **HB 439,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #2 to **HB 439** is as follows:

Amend printed copy of **HB 439** on pages 19 and 20, Section 6:

page 19, delete subsection (3) (lines 8 and 9); page 20, after the word "government" on line 21, delete the words "from county fiscal courts, from city legislative bodies", and delete subsection (9) (lines 28 through 32), and renumber all subsequent subsections accordingly.

Amendment #3 to **HB 439,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #3 to **HB** 439 is as follows:

Amend printed copy of **HB** 439 on page 21, section 7 (1), lines 9 and 10. After the word "federal" on line 9, delete the comma and add the word "and"; and after the word "state" delete the words "and local"; and after the word "public" on line 10, delete the words "and general".

Amendment #4 to **HB 439,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #4 to **HB** 439 is as follows:

Amend printed copy of **HB** 439 on pages 23-24, 25-26, sections 11, 15, lines 1-25, 1-6, respectively. Pages 23-24, delete Section 11. Pages 25-26, delete Section 15. And renumber all subsequent sections accordingly.

Amendment #5 to **HB 439,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #5 to **HB** 439 is as follows:

Amend printed copy of **HB** 439 on page 62, section 3, line 2, Article XVII. After the words "July 1, 1960", delete the words "Article XI" and insert the words "Article X, Department o fParks".

Senator Ware moved the Previous Question on **HB 439,** as amended. Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Blake, Brand, Blue, Conley, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 3—Bassett, Hamilton, Miller. **HB 439** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB** 439 was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bill

Committee on Enrollment reported that **SB** 184 had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bill delivered, signed by Speaker. Ordered delivered to the Governor.

HB 285 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 285.** Agreed.

On the roll call, the vote was: Yeas 30—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Mrs. J. H. Davis, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 285** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 285** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 422 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 422.** Agreed.

On the roll call, the vote was: Yeas 27—Blake, Brand, Bonn, Conley, Craft, Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, Young. Nays 0. **HB 422** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 422** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 485 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 485.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Blue, Bonn, Conley, Craft, Mrs. J. H. Davis, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, Hubbard, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 485** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 485** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 494 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 494.** Agreed.

On the roll call, the vote was: Yeas 21—Blue, Craft, Mrs. J. H.

Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hickerson, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware, White. Nays 4—Bassett, Blake, Richmond, Young. **HB 494** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 494** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 493 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 493.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Blake, Blue, Bonn, C. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 493** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 493** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported **HB 124, HB 181, HB 330, HB 373, HB 413** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

House Message

Announcing passage of **HB 161, HB 461, HB 509, HB 535, HB 538, HB 541.**

HB 358 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 358.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Blue, Bonn, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 358** was passed and the title agreed to.

Senator Duffy moved that the vote by which **HB 358** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 254 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 254.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Blake, Brand, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 254** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 254** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 255 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 255.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Bonn, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 255** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 255** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 466 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 466.** Agreed.

On the roll call, the vote was: Yeas 23—Bassett, Bishop, Blake, Brand, Blue, Bonn, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hubbard, Kinkead, Logan, Martin, Melton, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 466** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 466** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 431 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 431.** Agreed.

On the roll call, the vote was: Yeas 27—Bishop, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Raney, Richmond, Ware, Young. Nays 2—Bassett, Blake. **HB 431** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 431** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 445 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 445.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Bonn, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 445** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 445** was passed be reconsidered and said motion be laid on the table. Agreed.

Report on Enrolled Bill

Committee on Enrollment reported **SB 250** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bill delivered, signed by Speaker. Ordered delivered to the Governor.

Senator Ware moved that the vote by which the motion to reconsider **HB 431** was laid on the table be reconsidered. Agreed.

Senator Ware moved to reconsider the vote on **HB 431.** Agreed.

Senator Ware moved to take up **HB 431.** Agreed.

Amendment #1 to **HB 431,** by Senator Ware, who moved the adoption.

Said Amendment #1 to **HB 431** is as follows:

Amend printed copy of **HB 431** on page 11 by adding a new section to read as follows:

Section 15. Whereas, the development of a state-wide airport program is an integral part of the present executive and legislative program, and whereas, it is necessary to take advantage of federal laws in as short a time as possible, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Senator Ware moved the Previous Question on **HB 431,** as amended. Agreed.

On the roll call, the vote was: Yeas 27—Bishop, Blake, Brand, Bonn, Craft, Mrs. J. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 1—Bassett. **HB 431** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 431** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 429 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 429**, by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 429** is as follows:

Amend printed copy of **HB 429** on page 48 by adding a new section to read as follows:

Section 84. Whereas, the development of a state-wide airport program is an integral part of the present executive and legislative program, and whereas, it is necessary to take advantage of federal laws in as short a time as possible, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Senator Ware moved the Previous Question on **HB 429** as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Blue, Bonn, Craft, Mrs. J. H. Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Bassett. **HB 429** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 429** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 457 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 457.** Agreed.

On the roll call, the vote was: Yeas 18—Brand, Blue, Bonn, Craft, Derickson, Duffy, Francis, Garnett, Hickerson, Jackson, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Ware. Nays 15—Bassett, Bishop, Blake, C. H. Davis, Duncan, Hamilton, Hehl, Hubbard, Johnson, Kelly, Kinkead, Logan, Richmond, White, Young. **HB 457** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 457** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HB 433, HB 480, HB 500, HB 508, HB 512, SB 198.**

Recess

Senator Ware moved that the Senate recess. Agreed.

President resumes the Chair.

House Message

Announcing passage of **HB 338.**

Recess

Senator Ware moved that the Senate recess. Agreed.

President resumes the Chair.

Senator Duffy moved suspension of the Rules for the purpose of making Committee Report. Agreed.

Report of Rules Committee

Rules Committee reported **HB 228, HB 477, HR 80, HB 392, HB 327, HB 328, HB 455, HB 375, HB 499, HB 516, HB 280, HB 405, HB 402, HB 535, HB 480, HB 509, HB 538, HB 433, HB 338, HB 497,** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 228, AN ACT relating to the use of profits from public utility owned by a city.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 96.200 of the Kentucky Revised Statutes is amended to read as follows:

Except as otherwise provided in KRS 96.550 to 96.900 the legislative body of any city of the third through sixth classes inclusive may, by ordinance, provide in what manner and for what purpose any profits, earnings or surplus funds arising from the operation of any public utility owned or operated by the city may be used and expended. The ordinance may be amended or repealed from time to time. Until such an ordinance is enacted any surplus earnings shall be paid into the city treasury, to be expended for the general purposes of government in the city.

HB 477, AN ACT relating to bonds of justices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 25.650 of the Kentucky Revised Statutes is amended to read as follows:

Each justice, shall execute a bond, with good sureties approved by the county judge. The bond shall be for at least five thousand dollars. The bond shall be filed and recorded in the county clerk's office, and an entry made upon the order book of the county court showing that the bond was executed and approved, and giving the names of the sureties. The county judge may at any time require a new bond or additional surety on the old one.

HR 80, A JOINT RESOLUTION for the benefit of officers and employes of the Senate and the House of Representatives; and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby appropriated from the General Expenditure Fund additional allowances to cover necessary expenses for the following employes and officers of the Senate and House of Representatives, viz; Chief Clerks, Assistant Clerks, Enrolling Clerks, Sergeant-at-Arms, Doorkeepers, Cloakroom Keepers, Janitors, Pages, Capitol employes and appointed employes, to that compensation provided in KRS 6.230 the sum of $23,088.00.

Section 2. That the Chief Clerk of the Senate shall requisition and the Commissioner of Finance shall draw a warrant for the sum of $7,844.00 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the Senate. Such Chief Clerk shall forthwith distribute such expense allowances on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in the year 1960, the rate per day being computed by said Chief Clerk and the Committee on Committees of the Senate on an equal basis.

Section 3. The Chief Clerk of the House of Representatives shall requisition and the Commissioner of Finance shall draw a warrant for the sum of $12,580.00 on the State Treasurer of the Commonwealth of Kentucky in favor of the Chief Clerk of the House of Representatives. Such Chief Clerk shall forthwith distribute to the employes and officers of the House of Representatives such expense allowance on the basis of the number of days that such employes and officers served during the regular session of the General Assembly in the year 1960, the rate per day to be computed by the said Chief Clerk and the Committee on Committees of the House of Representatives on an equal basis.

Section 4. Whereas, the General Assembly will within a short time adjourn and the employes and officers will depart for various sections of the state, an emergency is hereby declared to exist, and this Resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth.

HB 392, AN ACT relating to the Legislative Research Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) There is hereby created as a committee of the Legislative Research Commission a Joint Legislative Advisory Committee to consist of twenty-four members, sixteen from the House of Representatives and eight from the Senate.

(2) The Legislative Research Commission shall within fourteen days after a general election in which members of the General Assembly are elected call into convention as a citizens committee those persons elected to serve in the next General Assembly.

(3) The director of the Legislative Research Commission, or his designate, shall direct the members of the committee to form sixteen subcommittees, two for each congressional district. Members-elect to the House of Representatives residing within the boundaries of each of the congressional districts shall constitute a subcommittee. Senators-elect residing within the boundaries of each of the congressional districts shall constitute a subcommittee. Each subcommittee consisting of House members shall elect two of its own number and each subcommittee consisting of Senators shall elect one of its own number to serve on the Joint Legislative Advisory Committee. Members of the Legislative Research Commission are ineligible to serve on the Joint Legislative Advisory Committee. Member of the General Assembly serving on congressional district subcommittees or on the Joint Legislative Advisory Committee shall be compensated as provided in subsection (5) of Section 7.110 of the Kentucky Revised Statutes.

(4) Only one ballot shall be taken in electing the two members of the Legislative Advisory Committee from the subcommittees consisting of House members. The person receiving the highest number of votes and the person receiving the next highest number of votes shall be elected. Tie votes shall be decided by lot.

(5) The member selected by a congressional district subcommittee to serve on the Joint Legislative Advisory Committee who received the highest number of votes shall serve as chairman of the subcommittee selecting him. The chairman shall from time to time advise and consult with district subcommittee members and shall counsel with them on all matters pertaining to preparation for the next General Assembly. He shall report their views on such matters to the Joint Legislative Advisory Committee, and shall keep them informed of the Joint Committee's work on such matters. The subcommittees shall meet at the call of the chairman. Each meeting shall be of one day's duration, and no more than four such meetings, in addition to the convention meeting, shall be held before the convening of the next General Assembly. Meetings may be held at any place within the congressional district.

Section 2. (1) The Director of the Legislative Research Commission shall call the first meeting of the Joint Legislative Advisory Committee. The members of the Joint Legislative Advisory Committee shall, for the purpose of conducting its affairs, establish two subcommittees, one to consist of its House members and the other of its Senators. Each subcommittee may select its own chairman, vice chairman, and secretary. The chairman of the subcommittees may alternate as chairman of the Joint Legislative Advisory Committee, and each shall preside over the opening session of the House and Senate, as the case may be, until a presiding officer is selected.

(2) The Joint Legislative Advisory Committee may by a vote of a majority of members of each of its submittees:

(a) Approve or disapprove recommendations of subcommittees,

(b) Instruct the Legislative Research Commission on matters pertaining to the next session,

(c) Recommend subjects for Legislative Research Commission study,

(d) Advise and counsel with administrative officers and employees of the Commonwealth.

(3) The Joint Legislative Advisory Committee through its appropriate subcommittee shall report to the respective Houses of the General Assembly when it first convenes. In addition to matters provided for in subsection (2) the reports may contain recommendations concerning suggested rules of procedure, committee organization, officers and employees and any other matter pertaining to the organization and operation of the affairs of the General Assembly.

(4) The Joint Legislative Advisory Committee shall continue from the time of its selection until:

(a) its work is finished, or

(b) it adojurns sine die, or

(c) the General Assembly to and for which it makes recommendations adjourns without instructions for its continuation.

HB 327, AN ACT relating to the disposal of motor vehicles by peace officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No owner or operator or employee of a parking lot, storage garage, wrecker service or towing service for motor vehicles, owned or operated wholly or in part either by a peace officer of this state or any political subdivision thereof, or by a member of his immediate family, shall accept a motor vehicle for parking, storage or towing upon the request or order of a peace officer; unless:

(1) The request or order is accompanied by written permission of the owner of the vehicle or his authorized agent;

(2) An emergency exists which requires that the street or highway be cleared in the quickest and most practical manner for the public safety or convenience; or

(3) The owner or operator of the class enumerated in subsection (1) of this Section is the only person in the general area providing parking, storage, wrecker or towing service.

Section 2. (1) It shall be unlawful for any peace officer to give or sell, to attempt to give or sell, or to conspire with another for the purpose of giving or selling the towing or storage business, arising during the course of his enforcement of any law or ordinance pertaining to motor vehicles, to one or more companies to the detriment of other similar companies engaged in the same or similar business, operating in the general area.

(2) It shall be unlawful for any peace officer to enter into, to attempt to enter into, or to solicit any agreement, or to conspire with another to enter into, to attempt to enter into or solicit any agreement with the owner, operator or any employe of a parking lot, storage garage, wrecker service or towing service, whereby the peace officer undertakes, attempts to undertake or represents that he can or will in the performance of his official duties favor or give preference to a parking lot, storage garage, wrecker service, or towing services, or to the owner, operator or employes thereof above that given to the same or similar businesses, operating in the general area.

(3) It shall be unlawful for any peace officer to accept or solicit any rebate, commission or anything of value from the owner or operator of a parking lot, storage garage, wrecker service or towing service either on his own behalf or upon the behalf of any organization of peace officers or any organization in which any peace officer may have or acquire a financial interest.

Section 3. Any person who violates the provisions of this Act shall be fined not less than one hundred dollars and not more than one thousand dollars, or imprisoned not more than six months, or both.

HB 328, AN ACT relating to the use of firearms on railroad rights-of-way.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Any person, except an authorized employee of the railroad acting in his official capacity, who carries or discharges firearms upon a railroad right-of-way shall be fined not less than twenty-five dollars or more than five hundred dollars, or imprisoned for thirty days, or both.

HB 455, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. In all instances under KRS Chapter 100 where the fiscal court of a county or the legislative body of a city is authorized to approve or disapprove an adjustment to the original master plans, or to approve or disapprove the construction or authorization of a public works or utilities project, or to allow a variance from the master plan or any zoning regulation, any person aggrieved by any decision of the legislative body of a city or county concerning planning and zoning may appeal such decision to the circuit court within thirty days of such decision. The appeal shall not stay proceedings under the decision of the legislative body, but the court may, on application, after due cause is shown and after notice is given to the legislative body, grant a restraining order. The hearing before the court shall be de novo. Appeal may be taken to the Court of Appeals of Kentucky in the manner provided in cases of appeals from a circuit court.

HB 375, AN ACT relating to the holding of Circuit Courts, when, from any cause, the Judge thereof shall fail to attend or, if in attendance, cannot properly preside.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 23.230 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) When, from any cause, including the cause set forth in Section 2 of this Act, a judge of any circuit court, whether of continuous session or terms, fails to attend, or being in attendance cannot properly preside in an action pending in the court as set forth in Section 2 of this Act or otherwise, or if a vacancy occurs or exists in the office of circuit judge, the parties, by agreement, may elect one of the attorneys of the court to preside on the trial or hear the application, or hold the court for the occasion. If any party to the action is an infant defendant, a person of unsound mind or a nonresident defendant who has neither entered his appearance nor been summoned, the attorney appointed to defend for such nonresident, the guardian ad litem for such infant or the committee or guardian ad litem for such person of unsound mind may agree with the other parties to the action upon an attorney having all the qualifications of a circuit judge to try the action. Any special judge so selected shall have all the powers and be subject to all the responsibilities of the regular judge of the court.

(2) If the parties cannot agree upon an attorney as provided in subsection (1) of this section or if the regular judge determines that sufficient time is not available in which to ascertain if the parties can

agree upon a member of the bar to act as judge, as provided in subsection (1) of this section, or if he determines that it is impracticable to attempt to obtain agreement because of the large number of parties to the action to be tried or for any other reason, the clerk shall at once certify the facts to the Chief Justice of the Court of Appeals, who shall immediately designate a regular circuit judge, if one be available, and, if not, an attorney having the qualifications of a judge, to hold the court or try the action.

Section 2. A new section of Chapter 23 of the Kentucky Revised Statutes is created to read as follows:

(1) A circuit judge cannot properly preside at, and shall be disqualified from trying or hearing, any criminal or civil action or special proceeding of any kind or character or from hearing any matter therein which involves a contested issue of law or fact when it shall be established, as hereinafter provided, that any party to such an action or proceeding cannot have a fair and impartial hearing or trial because he has reason to believe, and does believe, that such judge is hostile to or prejudiced against him, his interests, or his attorney of record and that such hostility or prejudice is of such a nature as would prevent an official of personal integrity from presiding at the trial or hearing in such action or proceeding.

(2) Any party to, or any attorney of record, in any such action or proceeding may establish such prejudice by filing an affidavit stating:

(a) that he has reason to believe, and does believe, that the judge before whom the action or proceeding is pending is personally hostile to or prejudiced against him, his interests, or his attorney of record;

(b) that such hostility or prejudice is of such a nature as would prevent an official of personal integrity from presiding at the trial or hearing; and

(c) that because of such hostility or prejudice the judge before whom such action or proceeding is pending will not give him a fair and impartial trial or hearing.

(3) An affidavit of disqualification,

(a) if filed in a criminal action or proceeding, must set forth in detail the specific facts upon which it is based or grounded and which corroborate or support the ultimate facts described in subsection (2) of this section, in accordance with the practice heretofore prevailing;

(b) if filed in a civil action or proceeding, need not set forth in detail the specific facts upon which it is grounded or which corroborate and support the ultimate facts described in subsection (2) of this section, but shall be legally sufficient if the same sets forth the three ultimate facts or grounds described in subsection (2), above, in the language of that subsection.

(4) An affidavit of disqualification shall be filed with the Clerk of the Court and may be filed at any time up to, but not later than, the twentieth day before the date fixed for the trial of any such action or proceeding, except that, where a new trial or hearing is granted or ordered by the Court of Appeals such an affidavit may be filed within thirty days after the mandate of the Court of Appeals is filed with the Clerk of the Circuit Court.

(5) The judge sought to be disqualified shall have jurisdiction and authority to determine only whether the affidavit of disqualification;

(a) Substantially complies with the requirement of subsections (2) and (3) of this section;

(b) Was in fact signed and executed by a party to the action or his attorney of record; and

(c) Was in fact acknowledged and sworn to by the affiant before a person authorized to administer oaths.

(6) Upon the filing of a legally sufficient affidavit of disqualification as defined in subsections (2) and (3), above, and without any further act or proof, the judge as to whom the disqualification is alleged shall be deemed to be incapable of properly presiding at the trial or hearing, shall be without jurisdiction and authority to act further in the action or proceeding with respect to which such affidavit is filed, and the provisions of Section 23.230 of the Kentucky Revised Statutes with respect to the selection of a special judge to preside in that action or proceeding shall apply thereto.

(7) Under no circumstances shall a party or his attorney be permitted to file more than one affidavit of disqualification in any one action or special proceeding, and in actions or special proceedings where there is more than one plaintiff or similar party or more than one defendant or similar party, only one such affidavit for each side may be filed in that action or special proceeding.

(8) No person shall be punished for contempt for making, filing, or presenting an affidavit of disqualification under or pursuant to this section, but neither this restriction nor any other provision of this section shall ever be construed as relieving any person who executes an affidavit of disqualification from criminal penalties applicable thereto under Chapters 431 through 438, inclusive, of the Kentucky Revised Statutes, or any attorney who executes an affidavit of disqualification from appropriate disciplinary action in the event such affidavit is false, inaccurate, or improvidently filed.

(9) The failure or refusal of a circuit judge to vacate the bench when a legally sufficient affidavit of disqualification has been filed shall be sufficient, in and of itself and without further act or proof, to warrant the aggrieved party in invoking the original jurisdiction of the Court of Appeals to obtain an order requiring him to vacate the

bench immediately and enjoining him from proceeding further in the action or special proceeding.

HB 499, AN ACT relating to urban service districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. To serve the public interest and provide a means of meeting problems of local government in urban areas, there may be established and operated under the provisions of this Act an urban services district. Such a district shall be a public body corporate and political subdivision, with power to adopt and use a corporate seal, sue and be sued, contract and be contracted with, and in other ways to function as a municipal corporation or a natural person within the purview of this Act. In addition to the general grants of power of this Act, such a district shall have the specific authority provided for in Chapters 58, 66, 79 and 107 of the Kentucky Revised Statutes. The district shall have the power of eminent domain and shall follow the procedures outlined in KRS 416.120.

Section 2. (1) An urban services district through its council is empowered to:

(a) provide for police and fire protection;

(b) construct and maintain streets, sidewalks, alleys and other drives and walks;

(c) provide library services;

(d) provide for garbage and trash collection and disposal;

(e) provide for street lighting and street cleaning;

(f) acquire, maintain and operate parks and playgrounds;

(g) provide sewer, drainage and treatment services and facilities;

(h) collect fees for services performed and to levy assessments consistent with this Act and in such amounts as the council shall deem necessary to carry out the functions of the district; and

(i) provide other services and engage in other activities, either directly or by contract with a county, a city or other districts, which contracts shall set forth what services are to be provided and how they are to be financed.

(2) An urban services district is prohibited from providing sanitation service that is being provided in the same area by a sanitation district as of the effective date of this Act.

Section 3. (1) The governmental and corporate authority of an urban services district shall be vested in a district council, which shall be the legislative and policy-making body, and a district director, who shall be the chief executive officer and shall preside over meetings of the council. The director may vote as a member of the council in the event of a tie, but not otherwise, and shall have no right of veto over actions of the council.

(2) The council shall be composed of five members, to be elected as provided for in this Act. Members of the council shall be qualified voters of the district, and a member shall vacate his position by removal of his residence from the district. Vacancies on the council shall be filled by appointment by the Governor for the remainder of the term. Members shall serve until their successors are elected and qualified.

(3) The council shall establish departments, offices or agencies to carry out the functions and services of the district and prescribe their powers and duties. The council shall meet regularly at least once in each month, and special meetings may be called by the director or on the call of three or more members of the council.

(4) The council may determine its own rules and order of business, and may adopt rules and regulations for the functioning of the district to supplement the provisions of this Act. Each member of the council shall be paid a salary to be fixed by the council.

Section 4. The director shall, as the chief executive officer of the district, appoint and remove heads of departments of the district, with the approval of the council, appoint and remove other employes of the district, supervise their activities, and fix their compensation, subject to regulations adopted by the council. He shall receive such compensation as may be fixed by the council. No person shall be eligible to be elected director unless he is a resident of the district, and shall vacate his office by removal of his residence from the district. In the event of a vacancy in the office of director, it shall be filled by appointment by the Governor for the remainder of the term.

Section 5. (1) The question of the establishment of an urban services district shall be submitted to the voters of the district if a petition bearing the signatures of the number of registered voters of the area to be embraced within the district equal to at least ten percent of the vote cast for county judge in that district at the last election is filed with the county court. The election on creation of the district shall be held at the next regular election if the petition is filed at least ninety days prior to the date for the regular election. The petition shall state that establishment of the district is being sought pursuant to the provisions of this Act, shall state the official name by which the district shall be known, and shall prescribe the territory intended to be included in the district.

(2) If the county court finds the petition is in proper order and the creation of the district will be in accordance with the provisions of this Act, a certified copy of the order of the county court directing that the question be submitted to a vote shall be filed with the county court clerk at least forty-five days prior to the next regular election.

The county court clerk shall give notice of the petition by publishing it in two consecutive editions of a newspaper of general circulation within the proposed district. The county court clerk shall cause the question to be submitted to a vote at the election. The question shall be in the following form: "Are you in favor of establishing—————————————————(Name of District) as an urban services district?" If a majority of those voting on the question vote in the affirmative, the district shall be established. The cost of the election shall be paid by the fiscal court.

Section 6. The Governor shall, immediately upon certification that the district has been established, appoint a qualified person as director and five qualified persons as members of the council.

Section 7. The council shall designate a qualified administrative officer of the district to assume the duties and authority of the director during periods of temporary absence or disability of the director.

Section 8. A civil service system for employes of the district may be established by the council in accordance with the plan outlined for cities of the first class under KRS 90.110 to 90.240.

Section 9. (1) The area of a city or of another district may be added to the area of an urban services district by an agreement between the district council and the legislative body of the city or governing board of another district. Territory in an unincorporated area may be added to the urban services district upon approval by the council and the county court when a petition signed by fifty-one percent of the registered voters of that territory is filed in the county court.

(2) An urban services district may include territory in two or more counties. In the organization, conduct of elections and expansion of such districts, the county court and the county court clerk of each county shall perform the duties provided for by this Act in relationship to the territory and voters of the district within that county.

HB 516, AN ACT relating to facsimile signatures and seals on certain public securities, amending KRS 61.390.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.390 is amended to read as follows:

(1) Any bonds heretofore or hereafter authorized to be issued by any unit under the provisions of any law heretofore or hereafter enacted and any interest coupons attached thereto may, if so authorized by the governing body of such unit, bear or be executed with the facsimile signature of any official authorized by such law to sign or to execute such bonds or coupons; provided, however, that each such

bond shall be manually signed by at least one official of such unit. In case any such law shall provide for the sealing of such bonds with the official or corporate seal of such unit or of its governing body or any official thereof, a facsimile of such seal may be imprinted on the bonds if so authorized by the governing body of such unit, and it shall not be necessary in such case to impress such seal physically upon such bonds.

(2) In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such bond shall be the proper officers to sign such bond although at the date of such bond such persons may not have been such officers.

(3) The words "public securities" as used herein shall mean bonds, notes or other obligations for the payment of money issued by this State, by its political subdivisions, or by any department, agency or other instrumentality of this State or of any of its political subdivisions.

(4) This section shall not repeal any other law authorizing the execution of public securities with facsimile signatures or seals.

HB 280, AN ACT relating to the change of venue of civil actions in circuit courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 452.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) The parties to any civil action in a circuit court may have an order entered in that action directing its removal to any other circuit court specified and agreed to by them.

(2) Any party to a civil action triable by a jury in a circuit court shall be granted a change of venue upon a showing of one or more of the following grounds:

(a) An opposing party has undue influence over a substantial number of residents of the county eligible for service upon a circuit court petit jury in that county;

(b) An odium attaches to the applicant, or to his cause of action or defense, because of local prejudice;

(c) The county is a party to the suit; or,

(d) The convenience of the witnesses or the ends of justice would be promoted by the change.

Section 2. Section 452.020 of the Kentucky Revised Statutes, is amended to read as follows:

An application for a change of venue shall be made within twenty days after the service by or upon the party desiring the change after the first pleading which creates an issue of fact in the action. At least ten days notice of the making of an application for a change of venue shall be given to all parties to the action except those who are in default and said notice shall be served and filed as provided in the Rules of Civil Procedure.

Section 3. Section 452.030 of the Kentucky Revised Statutes, is amended to read as follows:

Application for a change of venue shall be made by motion, supported by the affidavit of the party and the affidavits of at least two persons qualified for circuit court petit jury service in the county in which the action is pending. The adverse party may file affidavits controverting the gounds relied upon for the change of venue. The court may also hear other evidence for or against the application and shall exercise a sound discretion in deciding the question.

Section 4. Section 452.050 of the Kentucky Revised Statutes, is amended to read as follows:

A change of venue shall be made to the most convenient circuit court, determined as follows:

(1) If the county from which the change of venue is to be taken has three or more adjoining and contiguous counties, the court shall prepare a list of all such adjoining counties, and the parties shall, within the next two days, alternately, strike off the names of one county each until the name of only one county is left, the moving party striking first, and the action shall be transferred to the circuit court of that county.

(2) If the county from which the change of venue is to be taken has less than three adjoining and contiguous counties it shall be the duty of the court to add a sufficient number of non-adjoining and non-contiguous counties to the list so that the names of three counties will be on that list. In determining the non-adjoining and non-contiguous counties to be added to the list, the court shall add to said list the names of counties in which the county seats are the closest, as measured along improved and traveled main highways, to the county seat of the county from which the change of venue is being sought, in that respective order.

(3) If a change of venue has previously been granted in the action, the name of the county in which the action originated shall not be included on the list referred to in subsections (1) and (2), above, and if the exclusion of that county results in less than three counties remaining on the list, the provisions of subsection (2), above, shall apply.

Section 5. Section 452.060 of the Kentucky Revised Statutes is amended to read as follows:

When a change of venue is granted the court shall enter an order which shall designate the circuit court of the county to which the action is transferred, shall allow the moving party at least ten days within which to pay the costs of the change, and shall fix the last day upon which such costs may be paid. The clerk of the court in which the action is pending shall transmit all the papers and a transcript of all proceedings to the clerk of the court to which the venue is changed as soon as the costs of the change are paid.

Section 6. Section 452.070 of the Kentucky Revised Statutes is amended to read as follows:

The order of change of venue shall be void and the moving party shall not be entitled to a change of venue unless the costs of such change are paid within the time prescribed therefor in the order changing the venue of the action.

Section 7. Section 452.080 of the Kentucky Revised Statutes is amended to read as follows:

The clerk of the court to which the venue is changed shall receive and give a receipt for all papers transmitted to him by the clerk of the court from which the venue has been changed, shall docket the action in its order among the other causes pending in that court, and the action shall be tried or otherwise disposed of in the same manner as if it had originated in the circuit court of the county to which it has been removed.

HB 405, AN ACT relating to deputy constables.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 70.320 of the Kentucky Revised Statutes is amended to read as follows:

(1) The appointment of deputy constables shall be authorized only in counties containing a first or second-class city. In such counties each constable may appoint one or more deputies with the consent of the county judge. The constable and his surety shall be liable on his bond for all the acts and omissions of his deputies.

(2) Deputy constables may be removed at any time for any cause deemed sufficient by the constable by order of the county court entered after filing of a written direction by the constable.

(3) Each deputy constable in counties containing a city of the first class, shall be compensated for his services by salary fixed by the fiscal court, and paid out of the county levy, such salary to be not less than $4,000.00 per annum nor in excess of $5,500.00 per annum.

HB 402, AN ACT relating to constables and their deputies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.210 of the Kentucky Revised Statutes is amended to read as follows:

Fiscal courts of counties containing a city of the first class shall authorize the payment of seventy-five dollars per month out of the county treasury to constables and deputy constables using their own automobile in the performance of their official duties.

HB 535, AN ACT relating to the registration of public health sanitarians.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act unless the context requires otherwise:

(1) "Board" means the State Board of Health;

(2) "Department" means the State Department of Health;

(3) "Registered Sanitarian" means a person trained in the field of public health sanitation who has qualified for registration in accordance with the provisions of this Act.

Section 2. (1) The department shall appoint a Sanitarian Examining Committee consisting of five members. The director of the Division of Public Health Sanitation of the State Department of Health shall be an ex officio member. The other four members shall be sanitarians who are qualified for registration under this Act. The appointed members shall serve for terms of two years and until their successors are appointed and qualify, except that when initial appointments are made under the provisions of this Act, two members' terms shall be for only one year. Thereafter all appointments shall be for a period of two years.

(2) The examining committee shall conduct, or cause to be conducted, examinations of applicants pursuant to minimum standards and qualifications established by the board. The examining committee shall act in an advisory capacity to the board in establishing such minimum standards and qualifications.

Section 3. The department upon application and payment of a $10.00 examination fee shall certify as a registered sanitarian any person who meets the qualifications prescribed by the board and who has:

(1) Passed a merit system or civil service examination given by the State or any county or municipality qualifying the applicant as a sanitarian;

(2) Passed the examination conducted or caused to be conducted by the examining committee; and

(3) Completed at least two years of active service as a sanitarian with an approved public health agency.

Section 4. Persons actively engaged in public health sanitation work for a recognized and approved public health agency in this state for a period of not less than two years prior to the effective date of this Act shall, upon furnishing adequate proof thereof to the department and upon payment of a fee of $5.00, be entitled to be registered as a registered sanitarian without examination.

Section 5. A fee of $10.00 shall accompany the application for examination. All registration certificates issued under the provisions of this Act shall expire on June 30 following the date of issue, unless renewed by the payment of a $5.00 annual renewal fee. All fees collected under the provisions of this Act shall be paid into the State Treasury and credited to a trust and agency fund to be used by the department in carrying out the provisions of this Act. No part of this fund shall revert to the General Fund of the Commonwealth.

Section 6. The department is authorized to enter into reciprocal agreements with other states having a registered sanitarian's Act, provided the qualifications of such state are at least equal to the requirements of this Act and the regulations promulgated hereunder.

Section 7. The department shall have the power to revoke the certificate of registration of any registrant for unprofessional conduct or the practice of any fraud or deceit in obtaining registration, or any gross negligence, incompetency, or misconduct in the practice of public health sanitation.

Section 8. No person not registered under the provisions of this Act shall hold himself out as a registered sanitarian nor append to his name the initials "R.S.". Any person violating this section may be fined not more than $100.00 or imprisoned not more than 6 months.

Section 9. This Act shall take effect July 1, 1960.

HB 480, AN ACT relating to motor vehicle license plates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is created a new section in Chapter 186 of the Kentucky Revised Statutes to read as follows:

(1) The commissioner may issue special number plates to applicants therefor in the same manner as other number plates are issued pursuant to this chapter. Application for special number plates shall be made in accordance with regulations promulgated by the commissioner with respect to issuance of such number plates.

(2) Special number plates shall be issued only upon payment of a service charge of five dollars in addition to the regular fee prescribed in this chapter. The service charge shall apply to renewals of registrations for which special number plates have been issued.

(3) For purposes of this section a special number plate shall be a plate which contains not more than six letters, numerals or combination thereof, and which is reserved by the commissioner for issuance in accordance with the provisions of this section.

HB 509, AN ACT relating to Metropolitan Sewer District.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 76.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) When any drainage improvement has been authorized by the board of a metropolitan sewer district and has been approved by all necessary approving agencies, and all objections have been determined, the metropolitan sewer district shall classify the land in the designated area with reference to the benefit it will receive from construction of the improvement. In making such classification the metropolitan sewer district shall consider the impervious condition of the surface of the land, the drainage facilities previously installed and other facts and benefits from feasible uses of the land. All land within the designated area shall be presumed to receive some benefit. The land benefited, other than impervious areas, may be separated into three classes for purposes of apportioning and assessing the cost of the improvement. The land receiving the highest benefit shall be marked "Class A"; that receiving the next highest benefit, "Class B"; that receiving the least benefit, "Class C." The scale of assessment shall be in the ratio of three, two, and one.

Impervious areas shall be classed as "Class AA," and may be assessed at a higher rate than property in "Class A," computed in accordance with established engineering standards, but not greater than double the assessment established for "Class A" land.

(2) After a metropolitan sewer district has made a classification of the property within any area in which a drainage improvement has been approved, said metropolitan sewer district shall prepare benefit rolls for inspection by interested persons and keep same available in said district offices.

Said metropolitan sewer district shall then cause notices of the preparation and existence of the benefit rolls to be published three times in a newspaper of general circulation in the territory designated, and cause notices of same to be posted in three public places in said territory. Any owners of property in the designated territory shall have ten days from the date of publication of the third newspaper notice within which to file written objections to the classification. If any such objections are filed, the metropolitan sewer district shall hold hearings thereon promptly, after notice to the person filing objections, and pass upon said objections as promptly as practicable.

Section 2. A new section is created in Chapter 76 of the Kentucky Revised Statutes to follow KRS 76.265 to read as follows:

(1) At such time as bids have been received for the work to be performed on such improvement, the secretary-treasurer of the district shall notify each property owner by mail as to the expected cost of the improvement, based upon the lowest bid received from a qualified bidder, and upon the other known costs included under KRS 76.250, and as to the total acreage in each class.

(2) Any person or persons whose property is subject to the assessment shall have fifteen days from the mailing of such notices within which to file in the county court of the county in which the metropolitan sewer district is located, an objection or objections to the cost of the project.

(3) The court shall hear in a summary way any objections to the cost of the improvement and to the assessment of the land for the work to be done under said contract and enter an order confirming the assessment roll or directing the board of the metropolitan sewer district to change it in accordance with the findings of the court. No question or objection that could have been raised with reference to the establishment of the drainage district or the classification of land can be raised by exceptions to the assessment roll or statement of costs. The order of the court shall be final and may be appealed from in the same manner as from orders approving the organization of the district or the classification of land.

Section 3. Section 76.270 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon completion of construction, the cost of any drainage improvement shall be apportioned to the land in the designated area upon the basis of the benefits for real estate in each classes on an area basis in each classification. Areas shall be determined to the nearest quarter acre, with the minimum assessment for a quarter acre. The apportionment for each property owner shall be computed by the metropolitan sewer district.

(2) The secretary-treasurer of a metropolitan sewer district shall notify each property owner by mail as to the amount of the assessment against him for any improvement constructed or on which a bid or bids for construction have been let under the provisions of KRS 76.240 to 76.280. Any property-owner may pay to the metropolitan sewer district his assessment in full at any time within thirty days from the date of the mailing of notice of the assessment. Every person who fails to pay the full amount of his assessment to such metropolitan

sewer district within thirty days shall be deemed to consent to the issuance apportionment warrants against him and his property, unless the total assessment against such property is less than $50.00.

Each property-owner must pay within thirty days from date of mailing of notice, the full amount of his assessment if it does not exceed $50.00, and at least $50.00 on any assessment that exceeds that sum. Each property owner who fails to pay the full amount of the assessment within thirty days, shall be deemed to consent to the issuance of apportionment warrants against his property and him, for the amount due, after deducting the $50.00 due then and any additional sum paid within the thirty days.

If an assessment of $50.00 or less, or the first $50.00 of any larger assessment, against any property within the designated area, remains unpaid at the end of thirty days from the date of the notice, it shall be certified on a statement prepared by the secretary-treasurer of the metropolitan sewer district making the assessment to the sheriff of the county to be collected by him with the annual bill for county taxes, together with interest at six percent per annum from the 31st day after date of the notice until paid.

A penalty of ten percent of the amount of the first $50.00 of the assessment shall be assessed against each person not paying said assessment of $50.00 or less or part of an assessment within thirty days, and out of said penalty, payment shall be made for the services in collecting said assessments, to the sheriff or to the metropolitan sewer district if such collection is made before the past due assessment is certified to the sheriff.

Section 4. Section 76.275 of the Kentucky Revised Statutes is amended to read as follows:

(1) The secretary-treasurer of a metropolitan sewer district shall make out all apportionment warrants for the costs of construction of such drainage project and deliver same to the contractor, dating them at the expiration of the thirty-day period for payment, for the unpaid part of the contract price. Such apportionment warrants shall bear interest at the rate of six percent per anum, and shall be payable in equal annual installments, as provided in the ordinance, with privilege of paying off the unpaid balance at any time with interest to date of payment. The metropolitan sewer district shall maintain a register of outstanding warrants.

(2) The warrants for the excess over $50.00 shall be issued against the specific property assessed and the owner or owners thereof.

(a) A warrant for the excess over $50.00, or any greater sum paid in cash, shall be payable in not exceeding nine installments (the number to be fixed by the Ordinance). The installment payments shall be equal in amount except that the minimum amount to be paid or any installment except the last, shall be ten dollars, and the warrant shall be fully paid when the interest has been paid and payments on principal equal the face of the warrant.

(b) A single warrant shall be issued to the contractor and signed by the metropolitan sewer district to cover the assessment of less than $50.00, and the first $50.00 of larger assessments, which are not paid within thirty days from the date of notice of such assessment. This warrant shall be payable only from sums collected by the metropolitan sewer district directly or through the sheriff of the county from the owners of property who have not paid their assessments of $50.00 or less, or the $50.00 on larger assessments.

Section 5. Section 76.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Following the completion of any drainage improvement under the provisions of KRS 76.240 to 76.280, it shall be the duty of the district to keep and maintain all such improvements open, free from obstruction and in good repair and to make minor improvements thereto, and, for the purpose of providing funds to pay for such maintenance and minor improvements, the district may, from time to time, make additional assessments against the land in the designated area.

Any particular tract or tracts of land may be reclassified on the basis of a change in imperviousness or other physical condition or additional feasible uses of the land, but no tract shall be reclassified oftener than once in three years.

All such assessments shall be made in proportion to the classification as then in effect. No such assessment shall exceed ten percent of the original assessment against any parcel of land, except for any proportional change by reason of reclassification. Not more than one assessment shall be made in any one fiscal year of the metropolitan sewer district.

Such assessments shall be recorded and collected in the same manner as herein provided for collection of the original assessment, except that such assessments shall be payable in full within thirty days following the sending of notice thereof. If not paid within thirty days, such assessments shall be subject to a ten percent penalty and shall bear interest at the rate of six percent per annum until paid.

(2) If such assessment against any property remains unpaid at the end of thirty days from the date of notice, it shall be certified to the sheriff of the county to be collected by him with the annual bill for county taxes, together with interest and penalty as provided above.

From the Funds collected as penalties, payment shall be made for services in collecting such assessments, to the sheriff, or to the metropolitan sewer district if such collection is made before the past-due assessment is certified to the sheriff.

(3) All drainage assessments provided for in this chapter, to-

gether with the interest thereon, any penalties for default in payment thereof, and all costs of collection shall, from the date of the filing of the classification rolls in the office of the county clerk until paid, constitute a lien against the land assessed superior to all other liens except the liens for state, county, city, school and road taxes.

Section 6. A new section is created in Chapter 76 of the Kentucky Revised Statutes to read as follows:

After a drainage improvement has been authorized for a designated area and on assessment made, further proceedings may be taken for additional improvements within any section of the designated area through the same procedure as specified in KRS 76.240 to 76.280. In order to institute such additional improvement within the designated area it must appear that the original improvement project did not relieve sufficiently the drainage conditions within such section. The additional benefit accruing by reason of such improvement in a section of the previous project, shall not be a ground for reclassification of benefits for maintenance under the original project.

HB 538, AN ACT relating to bad checks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 434.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who with intent to defraud makes, draws, utters or delivers any check, draft or order for the payment of money upon any bank or depository, knowing at the time of the making, drawing, uttering or delivery that the maker or drawer has not sufficient funds in or credit with the bank or other depository for the payment of the check, draft or order in full upon its presentation; or who, after having made, drawn, uttered or delivered any check, draft or other order for the payment of money upon any bank or other depository, withdraws or causes to be withdrawn the money or any part of the money to the credit of the maker of the draft, check or other order for the payment of money, without leaving with the bank or other depository a sum sufficient to cover the check, draft or order for the payment of money, shall, if the amount of the check, draft or order is under twenty dollars, be fined not more than one hundred dollars, or imprisoned for not less than one nor more than ninety days, or both. If the amount of the check, draft or order is for twenty dollars or over, he shall be confined in the penitentiary for not less than one year nor more than two years.

(2) The making, drawing, uttering or delivering of a check, draft or order described in subsection (1) of this section shall be prima facie evidence of intent to defraud.

(3) Any person found guilty of violating the provisions of sub-

section (1) of this section shall be required to post bond with good and sufficient surety satisfactory to the court, in the amount of the check, draft or order to secure the repayment of said amount to the person holding and complaining of such worthless check draft or money order.

HB 433, AN ACT relating to constables in counties of over 250,000 population.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties containing a population of over 250,000, for the performance of the duties of his office, each constable shall be exclusively compensated by a salary of not less than five thousand dollars nor more than seven thousand two hundred dollars per annum to be paid in equal monthly installments out of the county treasury.

(2) Each constable and deputy constable shall daily deliver or cause to be delivered to the recorder for the justice's district in which he holds office all moneys received or collected by him by virtue of his office, or the recorder may receive such moneys for the officer, and in either event the recorder shall daily issue to each officer a receipt for moneys received from or for him. Each recorder shall keep such records of each daily transaction, in such manner and form, and showing such information, as the fiscal court of the county requires.

(3) All moneys received or collected on account of or resulting from the performance of the duties or the exercise of the powers incident to the offices of constable and deputy constable shall be paid into the county treasury.

(4) Before the tenth day of each calendar month the recorder for each justice's district shall prepare a sworn statement showing the correct amounts of money received or collected during the next preceding calendar month from the administration of the offices of constable and deputy constable. The statement shall be in the form and shall disclose the information required by the fiscal court. Each monthly statement, and as many copies thereof as the fiscal court may require, shall be subscribed and sworn to by the recorder. On or before the tenth day of each calendar month each recorder shall deliver one or more copies of the monthly statement to the fiscal court, or such person as the fiscal court designates, and at the same time deliver by certified check, payable to the order of the county treasurer, the total sum of money received by the recorder under the provisions of this section during the next preceding calendar month. During the interims between such monthly statements each recorder

shall safely preserve the funds coming into his hands by virtue of this section in a bank designated by the justice of the peace, which bank shall duly execute a depository bond in a sufficient amount to cover monthly balances.

HB 338, AN ACT relating to taxation by cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 2. Section 92.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) The legislative body of each city of the second to the sixth class shall provide each year, by ordinance, for the assessment of all real and personal property within the corporate limits that is subject to taxation for city purposes, and shall levy an ad valorem tax thereon for city purposes.

(2) The legislative body of each city of the second to sixth class may levy a poll tax not exceeding one dollar and fifty cents on each male inhabitant of such city on the assessment date other than those exempted by KRS 142.020, such poll taxes to become due at the same time ad valorem taxes become due and to be collected in the same manner, and the legislative body of each city of the second to sixth class may also impose license fees on stock used for breeding purposes, and on franchises, trades, occupations and professions, and may provide for the collection of such fees. If a city imposes a tax computed on the basis of a business' payroll, then the rate of such tax shall not exceed one and one-half percent.

HB 497, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.055 of the Kentucky Revised Statutes is amended to read as follows:

(1) All motor vehicles registered under subsection (3) of KRS 186.050, except motor vehicles taxed under KRS 281.810, wherein the gross weight exceeds 18,000 pounds, shall pay an additional fee as follows:

Declared Gross Weight	Weight Fee
18,001-21,000	$ 67.00
21,001-24,000	84.00
24,001-27,000	97.00
27,001-30,000	113.00
30,001-33,000	130.00
33,001-36,000	148.00
36,001-39,000	170.00
39,001-59,640	325.00
59,641-73,280	500.00

(2) The clerk shall issue a weight plate furnished by the Department and shall be paid for this service the sum of twenty-five cents.

(3) The clerk shall not register any common or contract carrier motor vehicle or U-Drive-It vehicle until the owner has presented in duplicate to the clerk a receipt from the Department of Motor Transportation showing that the weight tax has been paid as provided for under KRS 281.810. A copy of this receipt shall be retained by the clerk and the other copy forwarded to the Department together with the Department's copy of the registration receipt issued by the clerk.

(4) In order to permit licensing of motor vehicles under this section for weights in excess of 59,640 pounds during the period from July 1, 1960, to December 31, 1960, the clerk shall license such vehicles for an additional fee equal to one-half the difference between the fee previously paid for the current licensing year and the maximum fee provided herein.

(5) Motor vehicles registered under subsection (3) of KRS 186.050 or duly registered under the laws of any other state, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten miles of the limits of the city if it is a city of the first, second, third or fourth class, or within five miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in this section. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provision of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming exemption of payment of the fee, the owner shall file with the county clerk in addition to any other information that may be required an affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the cities to be named in the affidavit and the area above set out and that the vehicle will not be used outside of the city and the area above set out during the current registration period, and that there has been printed conspicuously on each side of the vehicle in letters of distinctive color at least three inches in height the name of the owner and words "Urban Limits."

Section 2. Section 189.222 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Highways in respect to highways which are a part of the state-maintained system, by official order, may increase on designated highways or portions thereof, the maximum height, length and gross weight prescribed in KRS 189.221, if in the opinion of said commissioner, the increased height, length and weight designated by him are justified by the strength, safety and durability of the designated highways, and said highways do not appear susceptible to unreasonable and unusual damage by reason of such increases; and said commissioner is authorized to establish reasonable classifications of such roads and to fix a different maximum for each classification. However, in no event shall any motor truck or tractor semi-trailer combination, including any part of the body or load, exceed the following dimensions and weights:

(1) Height, 13½ feet;

(2) Length, truck tractors and semi-trailers, 50 feet; motor trucks, 35 feet;

(3) Weight, 18,000 pounds per single axle, with axles less than 42 inches apart to be considered as a single axle; 32,000 pounds on two axles in tandem arrangement which are spaced 42 inches or more apart and less than 120 inches apart; 600 pounds per inch of aggregate width of all tires; gross weight, 73,280 pounds;

(4) A tolerance of not more than five percent per axle load shall be permitted before a carrier is deemed to have violated subsection (3) of this section. In no event shall the gross weight exceed 73,280 pounds.

Section 3. Section 281.810 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before January 1 of each year and as a condition precedent to the use of the highways, every motor carrier operating motor vehicles primarily engaged in the transportation of property for hire or operated under a U-Drive-It permit shall pay to the Department of Motor Transportation for the privilege of using the highways an annual excise tax upon each motor vehicle so used based on the declared gross weight of the motor vehicle as set out in KRS 186.030, in addition to the basic registration fee set out in KRS 186.050, and in lieu of the taxes imposed by KRS 186.055 as follows:

Gross Weight	Fee
0- 5000	$ 22.00
5001- 8000	30.00
8001-10000	48.00
10001-12000	52.00
12001-14000	57.00
14001-16000	62.00
16001-18000	70.00
18001-21000	101.00
21001-24000	132.00
24001-27000	161.00
27001-30000	185.00
30001-33000	208.00
33001-36000	235.00
36001-39000	272.00
39001-59640	325.00
59641-73280	500.00

(2) The tax shall be increased fifty percent on each motor vehicle not equipped wholly with pneumatic tires.

(3) On or before January 1 of each year and as a condition precedent to the use of the highways, every motor carrier engaged in the driveaway business shall pay an annual license fee of two hundred fifty dollars which shall be in lieu of the weight tax set out in subsection (1) of this section.

(4) In order to permit licensing of motor vehicles under this section for weights in excess of 59,640 pounds during the period from July 1, 1960 to December 31, 1960 the department shall license such vehicles for an additional fee equal to one-half the difference between the fee previously paid for the current licensing year and the maximum fee provided herein.

Section 4. (a) Notwithstanding any provision of this Act, any person owning a truck with a gross weight of 39,001 pounds or more that is used solely for hauling coal within a radius of fifty miles shall not be required to pay any additional fee in excess of $300.00. Any person desiring to register a coal truck whose gross weight exceeds 39,000 pounds under the provisions of this Act shall file with the county clerk, or the Department of Motor Transportation, as the case may be, an affidavit stating that the truck is used exclusively for hauling coal within a radius of fifty miles, that he has caused to be printed upon each side of the bed of the truck the words "Coal Truck" in conspicuous letters not less than three inches in height, and that during the period of registration the truck will be used only for the purpose stated, and any other information which the Department of Revenue, or the Department of Motor Transportation, may require.

Section 5. (1) Section 281.814 of the Kentucky Revised Statutes is amended to read as follows:

The following vehicles operated by a carrier or motor carrier shall be exempt from the tax imposed by KRS 281.810; motor vehicles registered under subsection (3) of KRS 186.050 or motor vehicles owned by any person not a resident of this state and duly registered under the laws of any other state, which when operated in this state are used exclusively for the transportation of property for hire, or as a U-Drive-It, within the corporate limits of the city named in the affidavit hereinafter required to be filed or within ten miles of the limits of such city if such city is a city of the first, second, third or fourth class, or within five miles of the limits of such city if such city is a city of the fifth or sixth class. Operation outside of this state shall not be considered in determining whether or not this exemption applies. When claiming exemption under this section, the carrier shall file with the department an affidavit stating that the motor vehicle when used in this state is to be used only for the transportation of property within the city named in the affidavit and the area above set out and that the vehicle will not be used outside of such city and the area above set out during the current registration period. The carrier shall furnish such other information as may be required by the rules and regulations of the department, and shall otherwise be subject to the provisions of this chapter and the rules and regulations of the Department of Motor Transportation.

(2) Section 281.813 is repealed effective July 1, 1960, provided, however, that no additional fees for the current licensing year shall be imposed on motor vehicles previously licensed thereunder for the current year unless the owner thereof seeks to take advantage of subsection (4) of Section 3 of this Act.

Section 6. The provisions of Sections 1, 2 and 3 of this Act shall become effective July 1, 1960: except that any motor vehicle licensed for a declared gross weight of 59,640 pounds or less for the calendar year 1960 shall not be required to pay the additional fees prescribed by this Act prior to January 1, 1961.

Senator Ware moved that when we adjourn today we adjourn to meet again at ten a.m., March 17. Agreed.

Senator Ware moved that the Senate adjourn until ten a.m., March 17. Agreed.

THURSDAY, MARCH 17, 1960

FIFTY-NINTH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church, Frankfort.

The roll was called. All present except Senator C. S. Howard, who was granted leave of absence on motion of Senator Ware.

Senator Ware moved that the reading of the Journal for March 16 be dispensed with and the same approved.

Senators Bassett and Kinkead requested a roll call on Senator Ware's motion to dispense with the reading of the Journal.

On the roll call, the vote was: Yeas 16—Brand, Craft, Charles H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Kidwell, Kinkead, Logan, Martin, Melton, Overbey, Ware. Nays 6—Bassett, Byers, Hamilton, Miller, Richmond, Young. Senator Ware's motion was approved.

Reading of the Journal for March 16 dispensed with and the same approved on motion of Senator Ware.

Senator Ware moved suspension of the Rules for the purpose of reading the Calendar. Agreed.

Calendar

HB 228, HR 80, HB 392, HB 327, HB 328, HB 455, HB 375, HB 499, HB 516, HB 280, HB 477, HB 405, HB 402, HB 535, HB 480, HB 509, HB 538, HB 433, HB 338, HB 497 taken from the Calendar and ordered read at length for the second time. Senator Ware moved that they be read by title only. Agreed. Ordered placed in Orders of the Day.

Communication

Communication from Janet Like, Southern Regional Champion in the National Cherry Pie Baking Contest, read by the Clerk.

Senator Overbey moved that said communication be spread upon the Journal. Agreed.

KIRKSEY HIGH SCHOOL
Kirksey, Kentucky
March 15, 1960

Senator George E. Overbey
Kentucky Senate
Frankfort, Kentucky

Dear Senator Overbey:

I felt deeply honored to receive the resolution from the senate of Kentucky honoring me as the Southern Regional Champion in the National Cherry Pie Baking Contest.

On behalf of my parents, Kirksey High School, and myself, I would like to thank you for putting the motion before the senate.

I shall always remember the courtesy extended to me, my parents, and Kirksey High School.

Sincerely yours,
(s) Janet Like
Southern Regional Champion
National Cherry Pie Baking Contest

Orders of the Day

HB 469 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 469.** Agreed.

On the roll call, the vote was: Yeas 24—Bassett, Bishop, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Overbey, Richmond, Ware, White, Young. Nays 3—Hamilton, Johnson, Miller. **HB 469** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 469** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 470 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 470.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Brand, Blue, Craft, C. H. Davis, Mrs. J. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White. Nays 0. **HB 470** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 470** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 471 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 471.** Agreed.

On the roll call, the vote was: Yeas 28—Bassett, Bishop, Brand, Blue, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 471** was passed and the title agreed to.

Senator Francis moved that the vote by which **HB 471** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 446 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Senate to postpone action on **HB 446** temporarily. Agreed.

HB 492 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 492.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Blake, Brand, Blue, Byers, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Francis, Garnett, Hehl, Hickerson, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 2—Duffy, Hamilton. **HB 492** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 492** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 276 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 276.** Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blake, Brand, Blue, Byers, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 1—Hamilton. **HB 276** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 276** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 168 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 168**. Agreed.

On the roll call, the vote was: Yeas 25—Blake, Blue, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware. Nays 4—Bassett, Bishop, Hamilton, Richmond. **HB 168** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 168** was passed be reconsidered and said motion be laid on the table. Agreed.

Recess

Senator Ware moved that the Senate recess until one thirty p.m. Agreed. At the appointed hour, the President called the Senate to order.

Senator Hickerson moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

Introduction of Resolution

SR 66, by Senator Hickerson: A RESOLUTION relating to the "Stephen Foster Story."

Senator Hickerson moved the adoption of **SR 66**. Agreed.

SR 66, A RESOLUTION relating to the "Stephen Foster Story".

WHEREAS, the Stephen Foster Drama Association, a non-profit organization of Kentuckians has been formed and has produced the "Stephen Foster Story" at My Old Kentucky Home in Bardstown; and

WHEREAS, this symphonic drama has enriched the music and tradition of Kentucky's colorful past in a real way; and

WHEREAS, it has proven the most striking tourist attraction in Kentucky in its one year of performances, bringing fame and credit to the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That each member of the Senate resolve unto himself to see at least one performance this summer, and encourage all Kentuckians to do likewise.

Section 2. That the Department of Parks and all other state agencies be, and they hereby are, directed to lend their assistance and support to the furthering of this effort of the people of Bardstown and Nelson County.

Senator Young moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Young's motion sent to the Clerk's desk and read by the Clerk is as follows:

WHEREAS, on March 17, 1960, the Senator from Christian asked that the Journal be read in full; and

WHEREAS, the Senator from Kenton objected to said request because of the time element and moved that the reading of the Journal be dispensed with and same be approved as read; and,

WHEREAS, still over the objection of the Senator from Christian, a majority of the Senate, on a roll call, voted in the affirmative and the said motion was carried.

Now, upon the examination of the Journal by the Senator from Christian, the Senator from Jefferson 38, and the Senator from Daviess, it appears that said Journal, on page 13, is in error and same should conform to the actual proceedings. The Journal states that upon motion of the Senator from Kenton, a recess was taken and that later the President resumed the chair and a message from the House was received announcing passage of House Bill 338, and again shows a recess was taken upon motion of the Senator from Kenton and that the President resumed the chair, and upon the motion of the Senator from Jefferson 35, the rules were suspended for the purpose of making a committee report, and in said report, House Bill 338 was reported favorably and placed in the Calendar; and

WHEREAS, the actual proceedings were not in accord with the record as shown by the Journal in that there was only one recess and that all of the bills were reported favorably by the Rules Committee except House Bill 338, and at that time the Clerk of the House reported the passage of House Bill 338 by the House there was no further recess and no further meeting of the Rules Committee and House Bill 338 was reported with expression of opinion that same should pass and placed in the Calendar without a meeting of the Rules Committee after the receipt of bill 338 from the Clerk of the House; and

WHEREAS, the three Senators examining the Journal voted in the negative on the motion to approve the Journal are unable to make a motion for reconsideration;

NOW, THEREFORE, BE IT RESOLVED, that the statement of the three Senators above mentioned be made a part of today's Journal thus giving those voting in the affirmative an opportunity to reconsider and have the Journal conform with the actual proceedings.

(s) Gates F. Young
(s) Frank H. Bassett, Jr.
(s) E. W. Richmond

Senator Young moved the adoption of said motion. Agreed.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 159, HB 209, HB 245, HB 268, HB 270, HB 277, HB 309, HB 342, HB 383, HB 464, HB 438, HB 439** had ben examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Logan moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

SR 67, by Senators Logan, Melton, Blake, D. W. Howard and Kidwell: A RESOLUTION commemorating the life of the late Rodes K. Myers.

Senator Logan moved the adoption of **SR 67**. Agreed.

SR 67, A RESOLUTION commemorating the life of the late Rodes K. Myers.

Be it resolved by the Senate of the General Assembly, The House concurring therein, of the Commonwealth of Kentucky:

Section 1. That the following expressions be made a permanent part of the legislative record of this session:

The Commonwealth of Kentucky was saddened by the death of the Honorable Rodes K. Myers on March 11 of this year. He began life in Warren County in 1901.

He helped earn his education by carrying newspapers, working in drug stores and working for the United States Geological Survey. He taught at the Littleford Business College to earn his way through the University of Cincinnati Law School. He also attended Ogden College and the University of Kentucky.

Mr. Myers began his career as a public servant when he accepted appointment as Commonwealth's Attorney in 1933, filling out an unexpired term. He was elected as a Representative to the General Assembly from his home district in 1934, and served with such distinction that he was re-elected for two more terms, and in 1939 he was elected Lieutenant Governor of the Commonwealth of Kentucky, and as such served with distinction as President of the Senate. He also served in this Senate as a member during the 1948 and 1950 sessions. After his term as Lieutenant Governor, he was a candidate for the governorship.

When not serving his state in an official position, Mr. Myers practiced law in Bowling Green. His specialty was criminal law, and for many years he was the leading criminal lawyer in this part of the nation. He represented over one hundred defendants charged with murder, but none of his clients was ever given the death sentence.

Mr. Myers was an orator of unusual ability, both in political campaigns and before a jury. He had a brilliant mind; equally at home in the classics, criminal law, and the rough and tumble know-how of politics.

Rodes K. Myers served his native state well, and it deeply mourns his passing.

Section 2. That the Clerk of the Senate be directed to forward a copy of the journal in which this Resolution is spread to the widow of the Honorable Rodes K. Myers.

The President appointed Senator Logan Chairman of a committee composed of Senators Logan, Melton, Blake and D. W. Howard, to work with a like committee of the House regarding **SR 67.**

Senator Richmond moved the adoption of **HR 99.** Agreed.

HR 99, A JOINT RESOLUTION requesting the Department of Conservation, Division of Parks of the Commonwealth of Kentucky to establish and maintain a State Park at Falls of Rough.

WHEREAS, there has recently been completed by the Government of the United States a flood control and water storage dam on Rough River at Falls of Rough which will impound the waters of Rough River sufficient to cover an area of 1600 acres at normal stage, and,

WHEREAS, the Falls of Rough reservoir located, for the most part, in Hardin and Grayson counties, is easily accessible to and will provide a recreation area for a great number of Kentuckians living in the neighboring counties of Ohio, Daviess, Hancock, Butler, Edmonson, Warren, Hart, Breckinridge and Hardin and will be of great benefit to the State of Kentucky, and,

WHEREAS, the Falls of Rough Reservoir is located in beautifully scenic rolling hills and woodlands and will offer such recreational facilities as camping, fishing, boating and swimming, and,

WHEREAS, there are no similar recreation facilities available to the residents of this area and no parks of any kind within a radius of seventy-five miles of Falls of Rough.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Conservation, Division of Parks of the Commonwealth of Kentucky be, and it is requested to establish and maintain a State Park at Falls of Rough.

Section 2. That the Clerk of the House of Representatives is directed to forward authenticated copies of this resolution to the Commissioner of the Department of Conservation, and the Director of the Division of State Parks.

Motion

Senator Hehl moved suspension of the Rules for the purpose of making a motion. Agreed.

Senator Hehl moved that the Clerk read an amendment to **HB 109** as a report of the conference committee. Agreed.

HB 109 for passage.

Amendment #1 to **HB 109**, by Senator Hehl, who moved the adoption. Agreed.

Said Amendment #1 to **HB 109** is as follows:

"Amend printed copy of **HB 109** on page 2, section --, line 30 by adding the following:

Section 2. Section 278.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) For the purpose of maintaining the Public Service Commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the Commission shall each year assess the necessary amount upon all utilities except sanitation districts established pursuant to KRS Chapter 220 in the proportion to their gross earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year, and shall notify each utility on or before May 31 of the amount assessed against it. The total amount so assessed shall not in any year exceed $400,000 and the sum paid by each utility shall not be less than $5 in any one year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities.

Senator Hehl moved the Previous Question on **HB 109**, as amended.

On the roll call, the vote was: Yeas—33—Bassett, Blake, Brand, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 109** was passed and the title agreed to.

HB 517 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 517.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, White, Young. Nays 0. **HB 517** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 517** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 519 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 519.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 519** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 519** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 505 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 505.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Ware, White. Nays 5—Bassett, Byers, Hamilton, Miller, Richmond. **HB 505** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 505** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved to take **HB 444** from the Clerk's Desk. Agreed.

Amendment #1 to **HB 444,** by Senator Bassett taken from the Clerk's Desk for consideration, on motion of Senator Bassett. Agreed.

Amendment #1 to **HB 444,** by Senator Bassett, who moved the adoption.

Said Amendment #1 to **HB 444** is as follows:

Amend printed copy of **HB 444** on page 2, section 3, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 3, section 4, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 3, section 5, line 1 by inserting after the word "Assembly the words "or any elected state official"
and
on page 3, section 6, line 1 by inserting after the word "Assembly" the words "or any elected state official"
and
on page 4, section 8, line 1 following the word "Legislature" by inserting the words "or any elected state official."

Senators Ware and Duffy requested a roll call on Amendment #1 to **HB 444.**

On the roll call, the vote was: Yeas 10—Bassett, Bishop, Blake, Byers, Hamilton, C. S. Howard, Johnson, Kelly, Miller, Richmond. Nays 22—Brand, Blue, Bonn, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Raney, Ware. Amendment #1 to **HB 444** was rejected.

Senator Ware moved the Previous Question on **HB 444.** Agreed.

On the roll call, the vote was: Yeas 26— Brand, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 7—Bassett, Bishop, Blake, Byers, Hamilton, Johnson, Kelly. **HB 444** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 444** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **HR 105, HR, 129, HR 130, SR 27, SR 55, SR 62, SR 63, SB 165, SB 252, SB 253, SB 195, SB 225, SB 99, SB 163, SB 84, SB 159, SB 180, SB 223, SB 168, SB 182, SB 266, SB 224, SB 158.**

HB 163 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 163.** Agreed.

On the roll call, the vote was: Yeas 22—Brand, Bonn, Craft,

C. H. Davis, Duffy, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Ware. Nays 10—Bassett, Bishop, Blake, Byers, Mrs. J. Harry Davis, Hamilton, Overbey, Richmond, White, Young. **HB 163** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 163** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 437 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 437.** Agreed.

On the roll call, the vote was: Yeas 33—Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 1—Bassett. **HB 437** was passed and the title agreed to.

Senator Ware moved that the vote by which **HB 437** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 201 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator D. W. Howard moved the Previous Question on **HB 201.** Agreed.

On the roll call, the vote was: Yeas 19—Bishop, Blue, Bonn, Craft, C. H. Davis, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Jackson, Kidwell, Kinkead, Martin, Overbey, Richmond, Ware. Nays 13—Bassett, Blake, Brand, Byers, Derickson, Duffy, Hubbard, Johnson, Logan, Melton, Miller, Raney, Young. **HB 201** was passed and the title agreed to.

Senator D. W. Howard moved that the vote by which **HB 201** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

Senator Ware moved the adoption of **HR 130.** Agreed.

HR 130, A CONCURRENT RESOLUTION relating to military service recognition.

Be it resolved by the House of Representatives of the General

Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Department of Military Affairs, together with the Kentucky Historical Society, the interested veterans clubs and organizations and their auxiliaries, and the interested community service clubs and organizations, shall ascertain and verify the names, addresses, and places of birth of all Kentuckians who have been awarded the United States Armed Forces Medal of Honor, and shall formulate such plans, designs and inscriptions as may be necessary and appropriate for the creation of a historical marker at or near the home of each recipient thereof.

Section 2. That the Department of Military Affairs shall coordinate, aid and assist any local interested veterans or civic club or organization, or any group of them seeking the erection of such a historical marker who shall cooperate and contribute sufficient information, services and funds as may be required by the department to erect such a historical marker.

Section 3. That the University of Kentucky shall construct the Medal of Honor Historical markers pursuant to the request and according to the specifications and design of the Department of Military Affairs and the Kentucky Historical Society.

Section 4. That the Department of Highways shall erect the Medal of Honor Historical markers pursuant to the request and in the place and manner designated by the Department of Military Affairs and the Kentucky Historical Society.

Section 5. That the Department of Military Affairs shall prescribe such rules and regulations as may be necessary to administer this Resolution.

Section 6. That the Clerk of the House of Representatives is directed to send a copy of this Resolution to the Adjutant General, to the Commissioner of Highways, to the President of the University of Kentucky, and to the Director of the Kentucky Historical Society.

SR 68, by Senator Ware: A CONCURRENT RESOLUTION providing for sine die adjournment of the 1960 General Assembly.

Senator Ware moved the adoption of **SR 68.** Agreed.

SR 68, A CONCURRENT RESOLUTION providing for sine die adjournment of the 1960 General Assembly.

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That when the House and Senate adjourn on March 18, 1960, they do adjourn sine die.

HB 366 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 366.** Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Logan, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 366** was passed and the title agreed to.

HB 401 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 401.** Agreed.

Senator Ware moved that the vote by which the Previous Question was applied be reconsidered for the purpose of offering an amendment. Agreed.

Amendment #1 to **HB 401,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 401** is as follows:

Amend printed copy of **HB 401** on page 6, section 5 (2), line 26 by deleting the period after the word "Commonwealth" and substituting a comma and adding the following phrase:
"except by authority, and with approval of the Commission, as part of the permit and reclamation plan prescribed in the next preceding subsection."

Senator Ware moved the Previous Question on **HB 401,** as amended. Agreed.

On the roll call, the vote was: Yeas 22—Bishop, Brand, Blue, C. H. Davis, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 6—Bassett, Blake, Byers, Mrs. J. Harry Davis, Hamilton, Johnson. **HB 401** was passed and the title agreed to.

HB 521 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 521.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 2—Bassett, Hamilton. **HB 521** was passed and the title agreed to.

HB 108 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Richmond moved the Previous Question on **HB 108.** Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Brand, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White, Young. Nays 0. **HB 108** was passed and the title agreed to.

HB 434 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 434.** Agreed.

On the roll call, the vote was: Yeas 27—Bishop, Brand, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, D. W. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 0. **HB 434** was passed and the title agreed to.

Senator Garnett moved that the vote by which **HR 130** was adopted be reconsidered. Agreed.

Amendment #1 to **HR 130,** by Senator Garnett, who moved the adoption. Agreed.

Said Amendment #1 to **HR 130** is as follows:

"Amend printed copy of **HR 130** on page 1, section 1, line 6. After the word "Honor" add the words "and the Medal of Honor of the Confederate State of America."

Senator Garnett moved the adoption of **HR 130,** as amended. Agreed.

HB 523 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 523.** Agreed.

On the roll call, the vote was: Yeas 25—Bishop, Brand, Blue, Bonn, Byers, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **HB 523** was passed and the title agreed to.

HB 529 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 529.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Blue, Bonn, Byers, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 0. **HB 529** was passed and the title agreed to.

HB 450 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 450,** by Senator Ware, who moved the adoption.

Said Amendment #1 to **HB 450** is as follows:

"Amend printed copy of **HB 450** on page 5 and 6, section 6, line 1 and 21 by inserting (1) after Section 6 in line 1, and adding the following after line 21:

'(2) In the performance of its duties, the area planning commission may cooperate with, contract with, or accept funds from federal, state, or local public or semipublic agencies, or private individuals or corporations, may expend such funds and may carry out such cooperative undertakings and contracts.' "

Senator Ware moved the Previous Question on **HB 450,** as amended. Agreed.

On the roll call, the vote was: Yeas 26—Bassett, Bishop, Brand, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **HB 450** was passed and the title agreed to.

HB 151 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 151,** by Senator Duffy, who moved the adoption. Agreed.

Said Amendment #1 to **HB 151** is as follows:

Amend printed copy of **HB 151** on page 4, section 9, lines 1, 2 and 3 by deleting the following:

'This Act shall not apply to any individual working on his own premises or to regular employes working on the property of their employer.' and inserting in lieu thereof the following:

'This Act shall not apply to a person working on his own premises or for himself or to regular employes working on the property of their employer.'

Senator Melton moved the Previous Question on **HB 151,** as amended.

On the roll call, the vote was: Yeas 22—Brand, Blue, Bonn, Byers, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hamilton, Hickerson, Jackson, Johnson, Kelly, Kidwell Kinkead Martin, McCann, Melton, Overbey, Richmond, Ware, Young. Nays 2—Bassett, Miller. **HB 151** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 151** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 247 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hickerson moved the Previous Question on **HB 247.** Agreed.

On the roll call, the vote was: Yeas 23—Bishop, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hamilton, Hickerson, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann Melton, Miller, Overbey, Richmond, Ware. Nays 2—Bassett, Johnson. **HB 247** was passed and the title agreed to.

Senator Hickerson moved that the vote by which **HB 247** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 495 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 495.** Agreed.

On the roll call, the vote was: Yeas 18—Brand, Blue, Bonn, C. H. Davis, Derickson, Duffy Francis, Hehl, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin McCann, Melton, Raney, Ware. Nays 6—Bassett, Byers, Hamilton, Johnson, Overbey, Richmond. **HB 495** was passed and the title agreed to.

Senator Melton moved that the vote by which **HB 495** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 426 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 426.** Agreed.

On the roll call, the vote was: Yeas 25—Bassett, Bishop, Brand, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, Hubbard, Jackson, Kidwell, Kinkead, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **HB 426** was passed and the title agreed to.

HB 282 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 282.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Brand, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware. Nays 0. **HB 282** was passed and the title agreed to.

HB 331 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 331.** Agreed.

On the roll call, the vote was: Yeas 25—Bassett, Bishop, Brand, Byers, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware. Nays 0. **HB 331** was passed and the title agreed to.

HB 361 taken from Orders of the Day and ordered read at length for the third itme. Senator Ware moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 361.** Agreed.

On the roll call, the vote was: Yeas 25—Bassett, Bishop, Brand, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 0. **HB 361** was passed and the title agreed to.

HB 456 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 456.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 0. **HB 456** was passed and the title agreed to.

HB 511 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the adoption of Amendment #1 to **HB 511,** by Senator Hehl. Agreed.

Said Amendment #1 to **HB 511** is as follows:

Amend printed copy of **HB 511** on page 1, line 9, delete "$6,000" and insert in its place "7,200."

Senator Duffy moved the Previous Question on **HB 511,** as amended.

On the roll call, the vote was: Yeas 21—Bishop, Brand, Blue, Bonn, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hehl, Hickerson, C. S. Howard, Jackson, Kelly, Kidwell, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 4—Bassett, Byers, Hamilton, D. W. Howard. **HB 511** was passed and the title agreed to.

Senator Duffy moved that the vote by which **HB 511** was passed be reconsidered and said motion be laid on the table. Agreed.

House Message

Announcing passage of **SB 239, SB 75, SB 36, SB 74, SB 73, SB 72, SB 40, SB 263, SB 247, SB 245, SB 251, SB 238, SB 219, (SB 102—House Committee Substitute), SB 173, with House Amendment, SB 153, with House Amendment, SB 257, with House Amendment, SB 96, with House Amendment, SB 246, with House Amendment, SB 86, with House Amendment, SB 150, with House Amendment.**

Senator Ware moved that when the Senate adjourn today, it adjourn to meet at ten a. m., March 18. Agreed.

Senator Ware moved that the Senate adjourn until ten a. m., March 18. Agreed.

FRIDAY, MARCH 18, 1960

SIXTIETH LEGISLATIVE DAY

The Senate was called to order by the President.

Prayer by the Reverend Robert J. Laughlin of the First Presbyterian Church of Frankfort.

The roll was called. All present except Senators Conley and Logan, who were granted leave of absence on motion of Senator Ware.

Reading of the Journal for March 17 dispensed with and the same approved on motion of Senator Ware.

Introduction of Resolutions

SR 69, by Senators D. W. Howard and Kinkead. A RESOLUTION relating to the naval forces of the Commonwealth.

Senator Kinkead moved the adoption of **SR 69**. Agreed.

SR 69, A RESOLUTION relating to the naval forces of the Commonwealth.

WHEREAS, the Senate has full confidence and trust in the integrity and ability of Otto M. Hering and Charles E. Myers, and wishes to take advantage of their services; and

WHEREAS, the Senate has been informed of the need for naval forces to operate on Old Yellow Creek and on Fern Lake; and

WHEREAS, the protection of its citizens requires that this Commonwealth supply the naval forces to patrol these strategic waters;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That there be and hereby is, established the Old Yellow Creek Fleet and the Fern Lake Fleet.

Section 2. That Otto M. Hering be, and he hereby is, appointed Admiral of the Fleet of Fern Lake, with all of the authority and duties of an Admiral of the Fleet of the Commonwealth of Kentucky, and all inferior officers of the naval forces of the Commonwealth are directed to render due obedience to said Otto M. Hering, and that he henceforth be known and addressed as Admiral Otto M. Hering.

Section 3. That Charles E. Myers be, and he hereby is, appointed Admiral of the Fleet of Old Yellow Creek, with all of the authority and duties of an Admiral of the Fleet of the Commonwealth of Kentucky, and all inferior officers of the naval forces of the Commonwealth are directed to render due obedience to said Charles E. Myers, and that he henceforth be known and addressed as Admiral Charles E. Myers.

Section 4. That the Clerk of the Senate be directed to forward copies of this Resolution, duly authenticated, to Admiral Charles E. Myers and Admiral Otto M. Hering.

SR 70, by Senator Blake: A RESOLUTION asking the Division of Parks to allocate the sum of fifty thousand dollars from their appropriated funds for the purpose of constructing a swimming pool in Blue Lick Park.

Senator Blake moved the adoption of **SR 70.** Agreed.

SR 70, A RESOLUTION asking the Division of Parks to allocate the sum of fifty thousand dollars from their appropriated funds for the purpose of constructing a swimming pool in Blue Lick Park.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the Division of Parks of the Department of Conservation be, and it hereby is, asked to allocate the sum of fifty thousand dollars from the funds previously appropriated to it for the purpose of constructing a swimming pool in Blue Lick Park.

Senator Ware moved the adoption of **HR 106.** Agreed.

HR 106, A CONCURRENT RESOLUTION relating to the Kentucky Industries for the Blind.

WHEREAS, the Kentucky Industries for the Blind is composed of active, self-respecting citizens of the Commonwealth who, though handicapped, desire to support themselves financially, and

WHEREAS, the principal occupation of these industries is the manufacture of mops, brooms, and other light equipment, and

WHEREAS, as a result of the loss of business suffered by the Kentucky Industries for the Blind, twenty-five of our blind citizens have been deprived of employment,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the General Assembly of the Commonwealth of Kentucky and the executive departments of state government are urged to purchase or cause to be purchased mops, brooms, and other light equipment from the Kentucky Industries for the Blind, in order that these industrious citizens can return to their employment.

Section 2. That the General Assembly of the Commonwealth of Kentucky and the executive departments of state government are urged to adopt as public policy purchases from the Kentucky Industries for the Blind.

SR 71, by Senator Craft: A RESOLUTION requesting the establishment of state rehabilitation offices in eastern Kentucky.

Senator Craft moved the adoption of **SR 71.** Agreed.

SR 71, A RESOLUTION requesting the establishment of state rehabilitation offices in eastern Kentucky.

WHEREAS, there is an acute problem concerning the physical handicapped in the depressed areas of eastern Kentucky; and

WHEREAS, the Pikeville, Whitesburg and Hazard areas are now served by rehabilitation counselors who have to travel from distant points thereby creating an urgent necessity for localized rehabilitation services in the clearly established distress areas of eastern Kentucky;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Bureau of Rehabilitation Services in the State Department of Education be and is hereby requested to make necessary organizational planning adjustments in order to provide rehabilitation offices in Pikesville, Whitesburg and Hazard, Kentucky.

Section 2. That the assistance of the Superintendent of Public Instruction and the cooperation and help of the Governor be and is hereby requested in the establishment of the aforementioned offices.

Section 3. That the Clerk of the Senate forward a copy of this Resolution to the Governor, the Superintendent of Public Instruction and the Bureau of Rehabilitation Services in the State Department of Education.

Orders of the Day

Senator Ware moved to take up the House Amendment to **SB 86.** Agreed.

Senator Martin moved the Senate to concur in House Amendment #1 to **SB 86.** Agreed.

Said Amendment #1 to **SB 86** is as follows: on page 1, subsection 3, line 11 by inserting after the word "except" the following: "A water district created under Chapter 74 of the Kentucky Revised Statutes which does not operate a gas system, or"

Senator Ware moved the Previous Question on **SB 86**, as amended.

On the roll call, the vote was: Yeas 25—Blue, Bonn, Craft, C. H. Davis, Duffy, Francis, Garnett, Hehl, Hickerson, C. S. Howard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **SB 86** was passed and the title agreed to.

Report on Enrolled Bills and Resolutions

Committee on Enrollment reported that **SR 62, SB 36, SB 40, SB 72, SB 73, SB 74, SB 75, SB 84, SB 99, SB 158, SB 159, SB 163, SB 165, SB 168, SB 180, SB 195, SB 219, SB 223, SB 224, SB 238, SB 225, SB 239, SB 247, SB 245, SB 251, SB 252, SB 253, SB 263, SB 266** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Said bills and resolutions delivered, signed by Speaker. Ordered delivered to the Governor.

Senator Ware moved the Senate to concur in House Amendment #1 to **SB 96.** Agreed.

Amendment #1 to **SB 96** is as follows:

On page 2, section 3, by deleting Section (3) and substituting therefor the following: (3) No rule adopted and promulgated under this section shall prevent a person, not holding himself out as a practicing attorney, from writing a deed, mortgage, will, or any other instrument to which he is a party.

Senator Ware moved the Senate to concur in House Amendment #2 to **SB 96.** Agreed.

Said Amendment #2 to **SB 96** is as follows:

On page 2, section 1, line 19 by inserting "not to exceed thirty dollars per annum" after the word "fees".

Senator Ware moved the Previous Question on **SB 96,** as amended.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Brand, Blue, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 96** was passed and the title agreed to.

Senator Ware moved to take up **SB 150** for concurrence in the House Amendment. Agreed.

Senator Ware moved to concur in House Amendment #1 to **SB 150.** Agreed.

Said Amendment #1 to **SB 150** is as follows:

On page 1, section 1, line 12 by adding after the word "purposes." the following sentence: "But nothing in this chapter shall be construed to confer upon or recognize in the district any power to acquire by agreement, purchase or gift, or by eminent domain proceedings, any fee, right, title, interest or easement in property included within the boundaries of any sanitation district organized under Chapter 220 of the Kentucky Revised Statutes, except necessary rights of way for trunk sewers through such sanitation districts."

Senator Ware moved the Previous Question on **SB 150,** as amended. Agreed.

On the roll call, the vote was: Yeas 33—Bassett, Bishop, Brand, Bonn, Byers, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Miller. **SB 150** was passed and the title agreed to.

Senator Ware moved to take up **SB 153** for concurrence in the House Amendment. Agreed.

Senator Ware moved the concurrence in House Amendment #1 to **SB 153.** Agreed.

Said Amendment #1 to **SB 153** is as follows:

On page 1, line following line 8, by adding the following as a new paragraph: "This Act shall not become effective until July 1, 1962."

Senator Ware moved the Previous Question on **SB 153,** as amended. Agreed.

On the roll call, the vote was: Yeas 29—Bassett, Bishop, Blue, Bonn, Byers, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White. Nays 0. **SB 153** was passed and the title agreed to.

Senator Ware moved the Senate to concur in the House Amendment #1 to the Title of **SB 246.** Agreed.

Said Amendment #1 to Title of **SB 246** is as follows:

On page 1, by inserting before the enacting clause the following: "AN ACT relating to an Interstate Compact on Juveniles."

Said Amendment #1 to Title of **SB 246** concurred in by voice vote.

Senator Ware moved to take up House Amendment to **SB 257.** Agreed.

Senator Ware moved to concur in House Amendment #1 to SB 257. Agreed.

Said Amendment #1 to SB 257 is as follows:

"On page 13, after section 2, after line 17, by inserting a new section to read as follows: "Section 3. A new section of Chapter 99 of the Kentucky Revised Statutes is created to read as follows: The council of any community, whose agency has received certification of availability of federal funds pursuant to Section 101 (c) of the National Housing Act of 1949, as amended may authorize the agency to acquire, by eminent domain, purchase, gift, grant, devise or otherwise, any real property in the development area or urban renewal area without regard to the conditions, restrictions, or provisions set forth in KRS 99.370, or any other section of KRS Chapter 99; if it finds by resolution that it is desirable and feasible to obtain federal financial assistance authorized by Section 403 of the Housing Act of 1959 in acquiring such real property, and to sell, grant and convey any such real property if by resolution the agency consents to the disposal thereof."

Senator Ware moved the Previous Question on **SB 257,** as amended. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **SB 257** was passed and the title agreed to.

HR 32 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HR 32.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 0. **HR 32** was passed and the title agreed to.

Senator Ware moved to taken up House Amendment to **SB 173.** Agreed.

Senator Overbey moved to concur in House Amendment #1 to **SB 173.** Agreed.

Said Amendment #1 to **SB 173** is as follows:

Amend printed copy as follows: On pages 4 and 5, Art. 1, and sections 6 and 7, by striking all of sections 6 and 7 of Art. I on pages 4 and 5. Also amend the printed copy as follows: On pages 10 and 11, Art. III, section 8, subsection (4), lines 31 through 38, by striking all of subsection (4) of said section 8 of Art. III, consisting of lines 31 through 38 on pages 10 and 11.

Senator Overbey moved the Previous Question on **SB 173**, as amended. Agreed.

On the roll call, the vote was: Yeas 26—Blue, Bonn, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 4—Bassett, Blake, Hamilton, Johnson. **SB 173** was passed and the title agreed to.

HB 516 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 516.** Agreed.

On the roll call, the vote was: Yeas 35—Bassett, Bishop, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 516** was passed and the title agreed to.

HB 497 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 497.** Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Brand, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, Young. Nays 2—Blake, Byers. **HB 497** was passed and the title agreed to.

HB 502 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 502.** Agreed.

On the roll call, the vote was: Yeas 34—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 502** was passed and the title agreed to.

HB 340 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 340.** Agreed.

On the roll call, the vote was: Yeas 25—Bishop, Brand, Blue, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware, White. Nays 5—Bassett, Blake, Byers, Hamilton, Kelly. **HB 340** was passed and the title agreed to.

HB 348 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Francis moved the Previous Question on **HB 348.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **HB 348** was passed and the title agreed to.

HB 446 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 446.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, White, Young. Nays 0. **HB 446** was passed and the title agreed to.

HB 441 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 441**, by Senator Overbey, who moved the adoption. Agreed.

Said Amendment #1 to **HB 441** is as follows:

Amend printed copy of **HB 441** on page 4, section 4, lines 1 and 2, in line one after the word "sale" strike the comma and the word distribute and after word sale add the words "or distribute." In line two strike the words "or transport."

Senator Overbey moved the Previous Question on **HB 441,** as amended. Agreed.

On the roll call, the vote was: Yeas 31—Bassett, Bishop, Blake, Brand, Bonn, Craft, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 441** was passed and the title agreed to.

HB 389 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 389,** by Senator Ware, who moved the adoption. Agreed.

Said Amendment #1 to **HB 389** is as follows:

Amend printed copy of **HB 389** on page 5, section 6, line 8 so that line 8 will read as follows: "ten years:" and on page 5, section 6, line 21 so that line 21 will read as follows: "unless the owner has within ten years:" and on page 6, section 6, line 36 so that line 36 will read as follows: "issuance if payable on demand, unless the owner has within ten" and on page 6, section 6, line 47 so that line 47 will read as follows: "been unclaimed by the owner for more than ten years from"

Amendment #2 to **HB 389,** by Senator D. W. Howard, who moved the adoption. Agreed.

Said Amendment #2 to **HB 389** is as follows:

Amend printed copy of **HB 389** on page 11, section 14, lines 1 through 7 by deleting Section 14 in its entirety and renumbering Section 15 as "Section 14".

Senator D. W. Howard moved the Previous Question on **HB 389,** as amended. Agreed.

Senator Ware moved that the vote by which the Previous Question was applied on **HB 389** be reconsidered and **HB 389** be laid on the Clerk's desk. Agreed.

HB 499 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 499.** Agreed.

On the roll call, the vote was: Yeas 37—Bassett, Bishop, Blake, Brand, Blue, Bonn, Byers, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, C. S. Howard, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 499** was passed and the title agreed to.

Senator Ware moved that the Senate recess until two thirty p.m. Agreed. At the appointed hour, the President called the Senate to order.

Senator Ware moved to take **HB 389** from the Clerk's desk. Agreed.

Amendment #1 to **HB 389,** by Senator Ware, previously adopted. Agreed.

Amendment #2 to **HB 389,** by Senator D. W. Howard, previously adopted. Agreed.

Amendment #3 to **HB 389,** by Senator Young, who moved the adoption. Agreed.

Said Amendment #3 to **HB 389** is as follows:

Amend printed copy of HB 389 on page 5, section 6, by striking out all of the words in lines 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29.

Senator Ware moved the Previous Question on **HB 389,** as amended. Agreed.

On the roll call, the vote was: Yeas 28—Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Logan, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 4—Bassett, Blake, Hamilton, Johnson. **HB 389** was passed and the title agreed to.

Report on Enrolled Bills and Resolution

Committee on Enrollment reported that **SR 41, SB 86, SB 96, SB 150, SB 153, SB 173, SB 182, SB 246, SB 257** had been examined and found correctly enrolled. Said bills and resolution read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bills and resolution delivered, signed by Speaker. Ordered delivered to the Governor.

Senator Ware moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

Introduction of Resolution

SR 72, by Senator Garnett: A RESOLUTION relating to criminal practice and procedure.

Senator Garnett moved the adoption of **SR 72.** Agreed.

SR 72, A RESOLUTION relating to criminal practice and procedure.

WHEREAS, a comprehensive study of practice and procedure in criminal cases has been made on behalf of and in the interest of the Commonwealth, and proposals for revision of that procedure have been made available; and

WHEREAS, the interests of justice and the administration of Kentucky's judicial system require a continuing consideration by all interested agencies of the state government and eventual revision of the criminal practice and procedure in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Governor is requested to appoint a committee for the purpose of continuing the study and evaluation of the materials and proposals for the revision of practice and procedure in criminal cases in the Commonwealth.

Section 2. That the Legislative Research Commission is requested to lend its assistance, facilities, and staff in cooperation with the committee established in accordance with this Resolution, and in cooperation with the Court of Appeals, the Judicial Conference, the Judicial Council, and the State Bar Association in accomplishment of the purposes of this Resolution.

HR 79 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Said Resolution is as follows:

HR 79, A JOINT RESOLUTION authorizing and directing payment of a claim of the estate of Robert D. Markel.

WHEREAS, Robert D. Markel of Evansville, Indiana died before final settlement of taxes that were withheld by the Commonwealth in excess of his correct tax liability; and

WHEREAS, such excess taxes amount to $2,020.94 and have never been paid to Robert D. Markel or to his estate.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Commissioner of Finance is authorized and directed to draw a warrant on the General Expenditure Fund in the amount of $2,020.94 payable to the Estate of Robert D. Markel which shall be in full satisfaction of all claims by the said estate against the Commonwealth arising out of taxes withheld in excess of the correct tax liability of Robert D. Markel.

Senator Ware moved the Previous Question on **HR 79.** Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Blue, Bonn, Byers, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, Young. Nays 0. **HR 79** was passed.

Senator Ware moved to take up **House Committee Substitute to SB 102, by Way of Amendment.**

Senator C. S. Howard moved the adoption of the House Amendment to **SB 102.**

Said House Amendment to **SB 102** is as follows:

Committee Substitute for **SB 102,** AN ACT relating to higher education.

WHEREAS, there is a serious need for the creation of an extension center of the University of Kentucky in Hardin County, for the purpose of alleviating the serious shortage of trained teachers within the Commonwealth, and to carry more fully into effect the provisions of Section 183 of the Constitution of Kentucky, by affording to the teachers and students of central Kentucky such training in the common school system, in the science and art of teaching, and in other areas as may be deemed necesssary and advisable, as will enable them to improve and render more efficient the administration of the common school system and raise the standards of instruction therein throughout the Commonwealth;

WHEREAS, there are now established five off-campus centers of the University of Kentucky at Covington, Ashland, Cumberland, Henderson, and Fort Knox, and the establishment of other institutions is under consideration;

WHEREAS, a number of communities have indicated an interest in having a junior college or an off-campus center located in these communities;

WHEREAS, Kentucky's desires for the strengthening and improving of education must be approached in an effective and efficient manner;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There shall be established and maintained an extension center of the University of Kentucky in the City of Elizabethtown, Kentucky, or the environs thereof, to be known as the "Elizabethtown Extension Center". The "Elizabethtown Extension Center" shall be maintained and operated in the same manner as the other extension centers presently maintained by the University of Kentucky.

Section 2. There may be appointed an advisory board for each extension center maintained by the University of Kentucky. The boards shall be appointed by the Governor to advise the Board of Trustees of the University of Kentucky in the operation of the centers.

Section 3. There is hereby created a Commission of five qualified persons appointed by the Governor to study the need for and placement of additional universities, colleges, junior colleges and off-campus centers which might best serve the Commonwealth, the types of programs they should encompass and the organizational pattern which would best insure their continuing contribution to the Commonwealth and the particular area served. The Commission will report to the Governor on or before July 1, 1961 in order that sufficient planning may be completed prior to the meeting of the 1962 General Assembly.

Senators C. S. Howard and Overbey requested a roll call on House Committee Substitute by Way of Amendment to **SB 102.**

On the roll call, the vote was: Yeas 22—Bishop, Brand, Bonn, Byers, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hehl, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kidwell, Martin, McCann, Melton, Miller, Richmond, Ware. Nays 7—Bassett, Hamilton, Hickerson, Kelly, Kinkead, Overbey, Young. Committee Substitute to **SB 102,** by way of amendment, was adopted.

Senator C. S. Howard moved the Previous Question on **SB 102,** as amended. Agreed.

On the roll call, the vote was: Yeas 21—Bishop, Bonn, Byers, Craft, Chas. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hehl, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kidwell, Martin, McCann, Melton, Miller, Richmond, Ware. Nays 6—Bassett, Blake, Kelly, Kinkead, Overbey, Young. **SB 102** was passed and the title agreed to.

Senator C. S. Howard moved that the vote by which **House Committee Substitute** for **SB 102** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware moved suspension of the Rules for the purpose of introducing a resolution. Agreed.

Introduction of Resolution

SR 73, by Senator Kelly: A RESOLUTION commending the

Maysville High School Basketball team for their victory in beating the Ashland High School.

Senator Kelly moved the adoption of **SR 73.** Agreed.

SR 73, A RESOLUTION commending the Maysville High School Basketball team for their victory in beating the Ashland High School.

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of the Maysville High School basketball team be and are commended for their victory yesterday in the Kentucky High School Basketball Tournament.

House Message

Announcing passage of **SB 197, SB 171, with House Amendment, SB 269, with House Amendment, HB 401** House refused to concur in Senate Amendment.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 168, HB 250, HB 523, HB 521, HB 434, HB 519, HB 517, HB 444, HB 437, HB 366, HB 267, HB 201, HB 163, HB 108, HB 494, HB 493, HB 492, HB 485, HB 471, HB 470, HB 469, HB 466, HB 457, HB 445, HB 431, HB 429, HB 422, HB 358, HB 285, HB 276, HB 255, HB 254, HB 505** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Ware moved the Senate to recede from its amendment to **HB 401.** Agreed.

Senator Young moved to take **HB 401** from the Clerk's desk and place on passage in the original form. Agreed.

On the roll call, the vote was: Yeas 24—Brand, Bonn, Charles H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 5—Bassett, Bishop, Hamilton, Hehl, Johnson. **HB 401** was passed and the title agreed to.

Senator Ware moved the adoption of **SR 53.** Agreed.

SR 53 is as follows:

SR 53, A JOINT RESOLUTION directing the Legislative Research Commission to study and recommend a unified system of administrative procedure.

WHEREAS, Kentucky's laws regulating administrative procedure are haphazard and piecemeal, to the confusion and inconvenience of both the government and the public; and

WHEREAS, the desirability of a unified state-wide system of administrative procedure is demonstrated by the increasing number of states that are presently adopting such systems;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission study a unified system of procedure for hearings and rulings by all governmental administrative agencies in the state, and for appeals from their rulings, and recommend a system for adoption by the 1962 session of the General Assembly.

Section 2. That the Commission appoint an advisory committee to advise it in its work, and that so far as possible the interests of government agencies, the legal profession, and persons or organizations whose activities are regulated be represented in the membership of the Commission. In any event the Commission shall hear any interested person or organization that desires to be heard before it makes its final recommendations.

Senator Ware moved the adoption of **HR 95.** Agreed.

HR 95, A JOINT RESOLUTION directing the Legislative Research Commission to study the possible uses of television in the educational system of the Commonwealth.

WHEREAS, the education of the citizens of this Commonwealth is one of the largest problems before the General Assembly; and

WHEREAS, the use of educational television holds promise of solving a portion of the educational problems of Kentucky;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission be, and it hereby is, authorized and directed to conduct a full study of the use of educational television in the Commonwealth.

Section 2. That the Department of Education, the University of Kentucky and such other state agencies as the Legislative Research Commission may designate are directed to cooperate to the fullest extent with the Legislative Research Commission.

Section 3. That the Legislative Research Commission, in conducting said study, is authorized to utilize the advice and assistance of the Joint Council on Educational Television, the Louisville Board of Education, the Jefferson County Board of Education, the Louisville Free Public Library, the Federal Communications Commission, the Fund for the Advancement of Education, the Ford Foundation, the National Association of Educational Broadcasters, and any other organization or agency with an appropriate interest or concern.

Section 4. That the findings and recommendations resulting from the study be made the subject of a report to be presented to the 1962 Regular Session of the General Assembly.

Senator Ware moved the adoption of **HR 105.** Agreed.

HR 105, A JOINT RESOLUTION authorizing and directing the Legislative Research Commission to make a study of the laws relating to planning and zoning.

WHEREAS, the interests of the Commonwealth will be best served by its orderly growth; and

WHEREAS, planning and zoning can effectively guide the growth of the Commonwealth, but must be carefully applied to avoid limiting the growth of the Commonwealth; and

WHEREAS, numerous planning and zoning statutes and ordinances are now in effect, and many planning and zoning proposals have been made; and

WHEREAS, the Commonwealth would be benefited by a comprehensive study of planning and zoning to guide future sessions of the General Assembly;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is authorized and directed to conduct a comprehensive study to determine the desirability and feasibility of altering the form, scope, operation and administration of existing laws relating to planning and zoning.

Section 2. That the Department of Economic Development and such other state agencies as the Legislative Research Commission may designate are directed to cooperate to the fullest extent with the Legislative Research Commission in this study.

Section 3. That the results of the study, including findings and recommendations, be made the subject of a report to be submitted to the 1962 Regular Session of the General Assembly.

House Message

Announcing passage of **SB 88, SB 113, with House Amendment, SB 274, SB 255, SB 214, SB 283, SB 284, with House Amendment.**

Orders of the Day

Senator Ware moved to take up House Amendment to **SB 284.** Agreed.

Senator Ware moved the adoption of House Amendment to **SB 284.** Agreed.

Said House Amendment to **SB 284** is as follows:

on page 5, by adding a new Section 6 to read as follows: "Section 6. A new section of the Kentucky Revised Statutes is created to read as follows: The departments and agencies named in KRS 152.120 may in their discretion provide by regulation for the licensing, insofar as relates to their particular fields of regulatory activity, of the possession or use of any source of ionizing radiation and the handling and disposal of radioactive wastes. Such regulations may specify the form of application for license, the qualifications therefor, grounds for revocation of same by the issuing agency, and such other matters as may be needed to make licensing effective as a means of control. Promulgation of such regulations shall be in accordance with the provisions of KRS 152.130."

on page 5, section 6, line 1 by changing the number "6" to "7".

On the roll call, the vote was: Yeas 25—Bishop, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Clyde S. Howard, Jackson, Kelly, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 1—Johnson. **SB 284** was passed and the title agreed to.

Senator Ware moved to take up House Amendments to **SB 171.** Agreed.

Senator Ware moved to refuse to concur in the House Amendments to **SB 171.** Agreed.

Said House Amendment # 1 to **SB 171** is as follows:

"On page 1, section 2, lines 1 through 12, by deleting all of Section 2, lines 1 through 12."

Said House Amendment # 2 to **SB 171** is as follows:

"On page 2, section 3, lines 1 through 8 by deleting all of Section 3."

Senator Ware moved to take up House Amendment to **SB 269.** Agreed.

Said House Amendment #1 to **SB 269** is as follows:

"On page 2, by adding the following new section:

"Section 3. There shall be excluded from the provisions of this act those boards, commissions and authorities which are required by law, regulation or standards of the Federal Government or its agencies to keep meetings closed to preserve the confidential nature of records and actions."

Senator Ware moved the adoption of House Amendment #1 to **SB 269.** Agreed.

On the roll call, the vote was: Yeas 30—Blake, Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White, Young. Nays 1—Johnson. **SB 269** was passed and the title agreed to.

HB 344 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 344** by Senator Duffy, who moved the adoption. Agreed.

Said Amendment #1 to **HB 344** is as follows:

Amend printed copy of **HB 344** on page 2, section 1 (2), lines 15-18 by striking in line 15 the figures "$2.00" and substituting therefor "$1.75" and in line 18 by inserting immediately after the phrase "contempt of court," and immediately before the phrase "per day" the following: "a fee equal to the reasonable cost of providing such services, not exceeding,"

Amendment #2 to **HB 344** by Senator Duffy, who moved the adoption. Agreed.

Said Amendment #2 to **HB 344** is as follows:

Amend printed copy of **HB 344** on page 2, section 1 (3), lines 32-35 by striking the figures "$2.00" on line 32 and substituting therefor the figures "$1.75" and by striking lines 33, 34 and 35.

Senator Duffy moved the Previous Question on **HB 344,** as amended.

On the roll call, the vote was: Yeas 22—Brand, Blue, Bonn, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hehl, Hickerson, Clyde S. Howard, Jackson, McCann, Melton, Miller, Richmond, Ware, White, Young. Nays 8—Bassett, Bishop, D. W. Howard, Hubbard, Kelly, Martin, Raney. **HB 344** was passed and the title agreed to.

President Pro Tem Senator Kidwell presiding.

HB 385 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 385.** Agreed.

On the roll call, the vote was: Yeas 28—Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Hickerson, Clyde S. Howard, Durham W. Howard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, Ware, Young. Nays 1—Bassett. **HB 385** was passed and the title agreed to.

HB 472 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

On the roll call, the vote was: Yeas 32—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft. C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hickerson, Clyde S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 0. **HB 472** was passed and the title agreed to.

Senator Ware moved to take up **SB 113** for concurrence in the House Amendment. Agreed.

Senator Ware moved the adoption of House Amendment to **SB 113.** Agreed.

Said House Amendment to **SB 113** is as follows:

"On page 3, section 5, line 3, by inserting after the word "Conveyances" the words "except common carriers."

Senator Ware moved the Previous Question on **SB 113,** as amended.

On the roll call, the vote was: Yeas 27—Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hickerson, Clyde S. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White, Young. Nays 4—Bassett, Blake, Durham W. Howard, Kelly. **SB 113** was passed and the title agreed to.

HB 19 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 19.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, Durham W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, McCann, Melton, Raney, Ware, White, Young. Nays 1—Clyde S. Howard. **HB 19** was passed and the title agreed to.

HB 169 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 169.** Agreed.

On the roll call, the vote was: Yeas 23—Blake, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Raney, Richmond, Ware, White, Young. Nays 0. **HB 169** was passed and the title agreed to.

HB 535 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 535.** Agreed.

On the roll call, the vote was: Yeas 21—Bishop, Brand, Blue, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Clyde S. Howard, Hubbard, Kidwell, Kinkead, Melton, Richmond, Ware, White. Nays 1—Johnson. **HB 535** was passed and the title agreed to.

HB 370 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 370.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Brand, Bonn, Craft, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Clyde S. Howard, Hubbard, Jackson, Johnson, Kidwell, Kinkead, Martin, Melton, Miller, Overbey, Richmond, Ware, White. Nays 2—Bassett, Young. **HB 370** was passed and the title agreed to.

HB 88 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 88.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Blake, Brand, Bonn, Craft, Charles H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hehl, Clyde S. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Miller, Richmond, Ware, White, Young. Nays 0. **HB 88** was passed and the title agreed to.

HB 376 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 376.** Agreed.

On the roll call, the vote was: Yeas 25—Bassett, Bishop, Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Duncan, Francis, Garnett, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Richmond, Ware, Young. Nays 0. **HB 376** was passed and the title agreed to.

HB 398 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 398.** Agreed.

On the roll call, the vote was: Yeas 20—Brand, Bonn, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Richmond, Ware, Young. Nays 6—Bassett, Bishop, D. W. Howard, Hubbard, Johnson, Kelly. **HB 398** was passed and the title agreed to.

HB 509 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 509.** Agreed.

On the roll call, the vote was: Yeas 23—Bassett, Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Richmond, Ware. Nays 1—Miller. **HB 509** was passed and the title agreed to.

HB 392 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 392.** Agreed.

On the roll call, the vote was: Yeas 27—Bassett, Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Richmond, Ware, White. Nays 0. **HB 392** was passed and the title agreed to.

HB 338 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

On the roll call, the vote was: Yeas 14—Bishop, Blake, Brand, Blue, Craft, C. H. Davis, Duncan, Garnett, Hehl, Hickerson, D. W. Howard, Johnson, Overbey, Ware. Nays 19—Bassett, Bonn, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Richmond, White, Young. **HB 338** was rejected.

House Message

Announcing passage of **SB 104, SB 157, SB 166, SB 185, SB 202, SB 203, SB 208, SB 218, SB 237, SB 240, SB 241, SB 256, SB 282, SB 68, with amendment, SB 140, with amendment, SB 235, with amendment, SB 271, with amendment, SB 280, with amendment.**

HB 290 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 290.** Agreed.

On the roll call, the vote was: Yeas 14—Brand, Blue, C. H. Davis, Derickson, Francis, Hickerson, D. W. Howard, Jackson, Kelly, Kidwell, Kinkead, Martin, Overbey, Ware. Nays 16—Bishop, Blake, Bonn, Duffy, Duncan, Garnett, Hamilton, Hehl, Hubbard, Johnson, McCann, Melton, Miller, Raney, White, Young. **HB 290** was rejected.

Senator Blake moved that the vote by which **HB 290** was rejected be reconsidered and said motion be laid on the table. Agreed.

Senator Johnson moved the Senate to recess for thirty minutes.

Senator Bonn arose to a point of order, stating the Senator was not in his seat. President Pro Tem ruled the point well taken.

President resumes the chair.

Senator Ware moved the Senate to take up House Amendments to **SB 235.** Agreed.

Senator Ware moved the adoption of House Amendment #1 to **SB 235.** Agreed.

Said House Amendment # 1 to **SB 235** is as follows:

House Amendment #1 to **SB 235** on pages 5 and 6, Section 5, lines 1 to 23 by deleting Section 5 in its entirety.

Senator Ware moved the adoption of House Amendment #2 to SB 235. Agreed.

Said House Amendment #2 to **SB 235** is as follows:

House Amendment #2 to **SB 235,** on page 6, Section 7 (4), lines 13 to 16 by deleting said subsection in its entirety.

Senator Ware moved the Previous Question on **SB 235,** as amended.

On the roll call, the vote was: Yeas 22—Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware, White. Nays 4—Bishop, Duncan, Garnett, Johnson. **SB 235** was passed and the title agreed to.

Senator Ware moved the Senate to take up House Amendment to **SB 68**. Agreed.

Senator Ware moved the Senate to concur in House Amendment to **SB 68**. Agreed.

Said House Amendment #1 to **SB 68** is as follows:

"Amend printed copy of **SB 68**, on page 2, section 1, lines 22 through 25 by inserting a period after the word "family" in line 22 and deleting the words that follow: "And two additional days leave of absence in any school year without reduction in pay when it becomes necessary for a teacher to be absent from his classroom in order to transact personal business."

Senator Ware moved the Previous Question on **SB 68**, as amended.

On the roll call, the vote was: Yeas 28—Bishop, Blake, Brand, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Johnson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Richmond, Ware. Nays 0. **SB 68** was passed and the title agreed to.

Senator Ware moved to take up House Amendment to **SB 280** for concurrence. Agreed.

Senator Ware moved the Senate to concur in House Amendment to **SB 280**. Agreed.

Said House Amendment #1 to **SB 280** is as follows:

"On page 1, section 1, by adding subsection (3) to Section 1 to read as follows: (3) "County" means a county not containing a city of the first class."

Senator Ware moved the Previous Question on **SB 280**, as amended.

On the roll call, the vote was: Yeas 20—Blake, Brand, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Raney, Ware. Nays 1—Derickson. **SB 280** was passed and the title agreed to.

Senator Ware moved the Senate to take up House Amendment to **SB 271** for concurrence. Agreed.

Senator Ware moved the Senate to concur in House Amendment to **SB 271**. Agreed.

Said House Amendment to **SB 271** is as follows:

Amend printed copy as follows:

"On page 2, section 1, line 36, by inserting immediately after the words "Board of Trustees" the following: "or its administrative staff."

Senator Ware moved the Previous Question on **SB 271,** as amended.

On the roll call, the vote was: Yeas 24—Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Raney, Richmond, Ware. Nays 1—Overbey. **SB 271** was passed and the title agreed to.

Senator Ware moved the Senate to take up House Amendment to **SB 140** for concurrence. Agreed.

Senator Ware moved the Senate to concur in House Amendment to **SB 140.** Agreed.

Said House Amendment to **SB 140** is as follows:

"Amend printed bill as follows:

On page 2, section 2, lines 1, 2, 3 and 4 amend copy **SB 140** on page 2, Section 2, lines 1, 2, 3, and 4, by deleting same in their entirety."

Senator Ware moved the Previous Question on **SB 140,** as amended.

On the roll call, the vote was: Yeas 23—Brand, Bonn, Craft, C. H. Davis, Derickson, Duffy, Francis, Garnett, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Richmond, Ware, White. Nays 0. **SB 140** was passed and the title agreed to.

Report on Enrolled Bills and Resolution

Committee on Enrollment reported that **SB 102, SB 88, SB 113, SB 197, SB 214, SB 255, SB 269, SB 283, SB 274, SB 284, HR 32, HB 282, HB 361, HB 331, HB 502, HB 247, HB 426, HB 456, HB 516, HB 499, HB 497, HB 446, HB 495, HB 529, HB 348, HB 340** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

SB 102, SB 88, SB 113, SB 197, SB 214, SB 255, SB 269, SB 283, SB 274, SB 284, delivered, signed by Speaker. Ordered delivered to the Governor.

Recess

Senator Ware moved that the Senate recess to seven p. m. Agreed. At the appointed hour, the President called the Senate to order.

HB 37 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 37.** Agreed.

On the roll call, the vote was: Yeas 24—Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Miller, Raney. Nays 0. **HB 37** was passed and the title agreed to.

Senator Blake moved that the vote by which **HB 37** was passed be reconsidered and said motion be laid on the table. Agreed.

HB 228 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Amendment #1 to **HB 228**, by Senator Francis, who moved the adoption. Agreed.

Said Amendment #1 to **HB 228** is as follows:

"Amend printed copy of **HB 228**, on page 1, section 1, lines 4 and 5, by deleting the words "of the third through sixth classes inclusive."

Senator Francis moved the Previous Question on **HB 228**, as amended. Agreed.

On the roll call, the vote was: Yeas 24—Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 1—Hamilton. **HB 228** was passed and the title agreed to.

HB 95 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 95**. Agreed.

On the roll call, the vote was: Yeas 29—Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Ware. Nays 0. **HB 95** was passed and the title agreed to.

HB 357 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 357**. Agreed.

On the roll call, the vote was: Yeas 21—Bishop, Blake, Brand, Blue, Bonn, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, McCann, Melton, Overbey, Raney, Ware. Nays 1—Miller. **HB 357** was passed and the title agreed to.

HB 402 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Bonn moved the Previous Question on **HB** 402. Agreed.

On the roll call, the vote was: Yeas 23—Blake, Brand, Blue, Bonn, C. H. Davis, Derickson, Duffy, Duncan, Francis, Garnett, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Miller, Raney, Ware. Nays 2—Bishop, Craft. **HB** 402 was passed and the title agreed to.

HB 405 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Bonn moved the Previous Question on **HB** 405. Agreed.

On the roll call, the vote was: Yeas 22—Blake, Brand, Blue, Bonn, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, C. S. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, McCann, Melton, Miller, Raney, Ware, White. Nays 4—Bishop, Craft, C. H. Davis, D. W. Howard. **HB** 405 was passed and the title agreed to.

HB 442 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB** 442. Agreed.

On the roll call, the vote was: Yeas 23—Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Martin, McCann, Miller, Overbey, Raney, Ware, White. Nays 2—Garnett, Hamilton. **HB** 442 was passed and the title agreed to.

Report on Enrolled Bills

Committee on Enrollment reported that **SB 235, SB 68, SB 104, SB 157, SB 166, SB 202, SB 203, SB 185, SB 208, SB 240, SB 241, SB 271, SB 280, SB 140, SB 282, SB 256, HB 401** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

SB 235, SB 68, SB 104, SB 157, SB 166, SB 202, SB 203, SB 185, SB 208, SB 240, SB 241, SB 271, SB 280, SB 140, SB 282 and **SB 256,** delivered, signed by Speaker. Ordered delivered to the Governor.

HB 252 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only.

Senator Overbey moved the Previous Question on **HB 252.** Agreed.

On the roll call, the vote was: Yeas 1—Bishop. Nays 1—Brand. **HB 252** was rejected.

Senator Ware moved, seconded by Senator C. H. Davis, that **HR 80** be taken from the Rules Committee.

Senator Ware withdrew his motion to take **HR 80** from the Rules Committee.

Senator Overbey moved, seconded by Senator Ware, that the Senate resolve itself into a Committee as a whole for the purpose of considering **HR 80.** Agreed.

The President appointed Senators Raney and Garnett as a committee to inform the House on the action taken in the committee as a whole pertaining to **HR 80.**

HB 433 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Ware moved the Previous Question on **HB 433.** Agreed.

On the roll call, the vote was: Yeas 19—Blake, Brand, Blue, Bonn, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Hamilton, C. S. Howard, Jackson, Johnson, Kidwell, Kinkead, McCann, Melton, Miller, Ware, White. Nays 6—Bishop, Craft, C. H. Davis, D. W. Howard, Hubbard, Kelly. **HB 433** was passed and the title agreed to.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 218** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bill delivered, signed by Speaker. Ordered delivered to the Governor.

HB 416 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Melton moved the Previous Question on **HB 416.** Agreed.

On the roll call, the vote was: Yeas 25—Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Ware, White. Nays 0. **HB 416** was passed and the title agreed to.

HB 223 taken from Orders of the Day and ordered read at length for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **HB 223.** Agreed.

On the roll call, the vote was: Yeas 27—Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Martin, McCann, Melton, Miller, Overbey, Raney, Ware, White. Nays 0. **HB 223** was passed and the title agreed to.

HB 288 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Hehl moved the Previous Question on **HB 288.** Agreed.

On the roll call, the vote was: Yeas 26—Bishop, Blake, Brand, Blue, Bonn, Craft, Mrs. J. Harry Davis, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, White. Nays 0. **HB 288** was passed and the title agreed to.

House Message

Announcing passage of **HR 137, HR 139**; refusal of the House to concur in Senate Amendments to **HB 228, HB 344.**

Report on Enrolled Bills and Resolutions

Committee on Enrollment reported that **HB 151, HB 109, HB 88, HB 19, HR 79, HB 535, HB 511, HB 509, HB 472, HB 450, HB 441, HB 398, HB 392, HB 389, HB 385, HB 376, HB 370, HB 169** had been examined and found correctly enrolled. Said bills and resolutions read at length, compared, and signed in open session by the President. Ordered delivered to the House.

HB 476 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 476.** Agreed.

On the roll call, the vote was: Yeas 24—Blake, Brand, Blue, Bonn, Craft, Derickson, Duffy, Duncan, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Raney, Ware, White. Nays 0. **HB 476** was passed and the title agreed to.

Senator Ware moved the Senate to recede from the Senate's Amendment to **HB 344.** Agreed.

Senator Ware moved the Previous Question on **HB 344.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 2—Kelly, Kidwell. **HB 344** was passed and the title agreed to.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 405, HB 37, HB 402, HB 357, HB 442, HB 95** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House.

Senator Ware moved to recede from the Senate Amendment to **HB 228.** Agreed.

Senator Ware moved the Previous Question on **HB 228.** Agreed.

On the roll call, the vote was: Yeas 25—Blake, Brand, Blue, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kinkead, Martin, McCann, Melton, Miller, Raney, Ware. Nays 0. **HB 228** was passed and the title agreed to.

House Message

Announcing refusal of the House to recede in the House Amendment to **SB 171.**

The President announced a Conference Committee regarding **SB 171,** Said Committee composed of Senators Overbey, Francis and Garnett, to meet with a like committee from the House.

The Conference Committee on **SB 171** reported that the Senate should adopt the House Amendment. The Senate concurred unanimously with the Committee report and recommendation.

Senator Overbey moved that **SB 171** be taken from the Clerk's desk.

Senator Overbey moved the Senate to concur in House Amendment to **SB 171.** Agreed.

Senator Overbey moved the Previous Question on **SB 171.** Agreed.

On the roll call, the vote was: Yeas 25—Bishop, Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Hehl, C. S. Howard, D. W. Howard, Hubbard, Kidwell, Kinkead, Martin, McCann, Melton, Overbey, Raney, Ware. Nays 1—Johnson. **SB 171** was passed and the title agreed to.

Report on Enrolled Bill

Committee on Enrollment reported that **SB 237** had been examined and found correctly enrolled. Said bill read at length, compared, and signed in open session by the President. Ordered delivered to the House. Said bill delivered, signed by Speaker. Ordered delivered to the Governor.

HB 164 taken from Orders of the Day and ordered read at length

for the third time. Senator Ware moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 164.** Agreed.

On the roll call, the vote was: Yeas 17—Blake, Brand, Bonn, Craft, C. H. Davis, Derickson, Duffy, Duncan, Francis, Hamilton, Hehl, Johnson, Kinkead, Martin, Melton, Miller, Overbey, Ware. Nays 4—C. S. Howard, Jackson, Kelly, McCann. **HB 164** was passed and the title agreed to.

Senator Ware presiding.

HB 480 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Kidwell moved the Previous Question on **HB 480.** Agreed.

On the roll call, the vote was: Yeas 22—Blake, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Duncan, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Kelly, Kidwell, Martin, McCann, Melton, Ware. Nays 0. **HB 480** was passed and the title agreed to.

HB 320 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **HB 320.** Agreed.

On the roll call, the vote was: Yeas 22—Bishop, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, McCann, Miller, Raney, Ware, White. Nays 0. **HB 320** was passed and the title agreed to.

HB 321 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Kinkead moved the Previous Question on **HB 321.** Agreed.

On the roll call, the vote was: Yeas 23—Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Garnett, Hamilton, Hehl, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Melton, Miller, Overbey, Raney, Ware. Nays 2—Johnson, Kelly. **HB 321** was passed and the title agreed to.

HB 328 taken from Orders of the Day and ordered read at length for the third time. Senator Overbey moved that it be read by title only. Agreed.

Senator Overbey moved the Previous Question on **HB 328.** Agreed.

On the roll call, the vote was: Yeas 13—Bishop, Brand, Duffy, Francis, Hehl, D. W. Howard, Hubbard, Kidwell, Kinkead, McCann, Overbey, Raney, Ware. Nays 15—Blake, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duncan, Garnett, Hamilton, Jackson, Kelly, Martin, Melton, Miller. **HB 328** was rejected.

Senator Bonn moved that the vote by which **HB 328** was passed be reconsidered and said motion be laid on the table. Agreed.

Senator Ware vacates the chair.

Senator D. W. Howard presiding.

HB 477 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Raney moved the Previous Question on **HB 477.** Agreed.

On the roll call, the vote was: Yeas 20—Bishop, Blake, Blue, Craft, C. H. Davis. Mrs. J. Harry Davis, Duffy, Francis, Garnett, Hamilton, C. S. Howard, D. W. Howard, Hubbard, Kelly, Kinkead, Martin, McCann, Miller, Raney, Ware. Nays 5—Brand, Derickson, Jackson, Johnson, Kidwell. **HB 477** was passed and the title agreed to.

HB 481 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 481.** Agreed.

On the roll call, the vote was: Yeas 25—Bishop, Brand, Blue, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Derickson, Duffy, Francis, Garnett, Hamilton, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kidwell, Kinkead, Martin, McCann, Miller, Raney, Ware, White. Nays 1—Kelly. **HB 481** was passed and the title agreed to.

HB 520 taken from Orders of the Day and ordered read at length for the third time. Senator Duffy moved that it be read by title only. Agreed.

Senator Duffy moved the Previous Question on **HB 520.** Agreed.

On the roll call, the vote was: Yeas 24—Bishop, Blake, Brand, Bonn, Craft, C. H. Davis, Mrs. J. Harry Davis, Duffy, Duncan, Garnett, Hehl, C. S. Howard, D. W. Howard, Hubbard, Jackson, Kelly, Kidwell, Kinkead, Martin, McCann, Miller, Raney, Ware, White. Nays 2—Hamilton, Johnson. **HB 520** was passed and the title agreed to.

Introduction of Resolution

SR 74, by Senators Hehl, D. W. Howard, Duffy and Kidwell: A RESOLUTION commending the Majority Floor Leader.

Senator Hehl moved the adoption of **SR 74.** Agreed.

Said Resolution is as follows:

SR 74, A RESOLUTION commending the Majority Floor Leader.

WHEREAS, Senator James C. Ware has demonstrated commendable diplomacy, tact, and leadership in his difficult position as Majority Floor Leader; and

WHEREAS, Senator Ware has treated members of both parties with equal fairness and consideration in the manner of a true statesman; and

WHEREAS, Senator Ware's leadership has enabled the Senate to complete its deliberations in an orderly manner;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

That the thanks, congratulations and commendations of the Senate be, and they hereby are, extended to Senator James C. Ware for his leadership in the Senate in the position of Majority Floor Leader.

Senator Francis presiding.

House Message

Announcing passage of **HR 128, HR 137, HR 129, HR 139.**

Senator Ware moved the adoption of **HR 128.** Agreed.

HR 128, A CONCURRENT RESOLUTION memorializing Congress to expedite plans for a dam on Cumberland River at Bunche's Creek in Whitley County.

WHEREAS, Whitley County in Kentucky is in poor economic condition, as shown by the fact that about one third of the population is now receiving welfare or public aid of some kind;

WHEREAS, nine of every ten of its high school and college graduates must leave for employment elsewhere, and four out of every five of other wage earners must leave the county to earn money;

WHEREAS, more than two thirds of the county's payroll comes from tax money, federal, state and local;

WHEREAS, Whitley County alone is unable to promote any endeavor to ease the situation.

WHEREAS, a dam on Cumberland River at Bunche's Creek would do the following things:

1. Furnish all needed electric power and water for new industries.

2. Aid in flood control.

3. Call for a steam generating plant to use millions of tons of coal.

4. Attract plants to use pulp wood of which Whitley County has millions of cords.

5. Attract food processing plants to process tons of vegetables produced annually.

6. Provide a recreational area which would attract millions of dollars annually from tourists;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States is urged to act in the exercise of its broad legislative powers to provide a dam and necessary accessories to accomplish the desired purpose, and to cause such a program to be put into effect at the earliest possible time.

Section 2. That the Clerk of the Senate be and is hereby directed to send copies of this memorial, duly authenticated, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each of the Senators and Representatives from the Commonwealth now serving in the Congress, and to the Secretary of the Interior.

Senator Ware moved the adoption of **HR 137.** Agreed.

HR 137, A CONCURRENT RESOLUTION memorializing Congress to enact legislation enabling the states to correct abuses under the program for aid to dependent children.

WHEREAS, there appears to be considerable abuse under the program for aid to dependent children insofar as it relates to illegitimate children, and

WHEREAS, there appears to be considerable doubt as to whether or not the states can enact legislation to correct these abuses without loss of Federal funds;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States be and hereby is memorialized and requested to enact the necessary legislation enabling the several states to pass legislation correcting any abuses that the state finds to exist with respect to aid to dependent children, insofar as it relates to illegitimates without loss of Federal funds.

Section 2. That the Clerk of the House of Representatives forward copies of this resolution to the Clerk of the House of Representatives of the United States, each member of the United States Congress from the Commonwealth of Kentucky, and to the Secretary of the Department of Health, Education and Welfare.

Senator Ware moved the adoption of **HR 129.** Agreed.

HR 129, A CONCURRENT RESOLUTION relating to the Legislative Record for the 1960 session of the General Assembly.

WHEREAS, the Legislative Record is the only document immediately available that shows daily actions on legislation; and

WHEREAS, each member of the General Assembly receives only one copy per day during the course of the session; and

WHEREAS, the Final Legislative Action copy and the Final Executive Action copy will be published well in advance of the Journals; and

WHEREAS, each member will need more than one copy of these two issues of the Record.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Director of the Legislative Research Commission be and hereby is authorized and directed to acquire from the printer a sufficient number of copies of the Final Legislative Action and the Final Executive Action issues of the 1960 Legislative Record, to furnish each member of the House and the Senate ten copies of each of the two issues.

Senator Ware moved the adoption of **HR 139.** Agreed.

HR 139, A CONCURRENT RESOLUTION relating to unused printed copies of bills.

WHEREAS, after the adjournment of the General Assembly there are many unused printed bills, and

WHEREAS, some research is required for any person to know what was the final disposition of the bill or if it passed whether the printed copy conforms to the enrolled copy, and

WHEREAS, there is necessarily some time before the Acts are printed, and

WHEREAS, many departments of the state government, members of the legislature and other people are interested in the final disposition of all bills.

THEREFORE, BE IT RESOLVED BY THE House of Representatives, the Senate concurring therein:

1. That the Legislative Research Commission is requested to take all unused printed bills in both House and Senate and stamp or otherwise indicate at the heading of each bill the final disposition of the bill, such as:

(a) Became a law as printed;
(b) Became a law but amended;
(c) Passed by the legislature but vetoed by Governor;
(d) Failed to pass.

2. That the members of the General Assembly be requested to give to the Legislative Research Commission copies of all printed bills in their possession and the Legislative Research Commission be requested to return at an early date a full set of all bills to those members who leave their bills for being stamped as to their final disposition.

3. That the Legislative Research Commission be instructed to provide the various departments of the state government with such bills as they request and if other copies are available to any interested person who may request them.

Report on Enrolled Bills

Committee on Enrollment reported that **HB 223**, **HB 228**, **HB 320**, **HB 344**, **HB 416**, **HB 433**, **HB 476**, **HB 480**, **HB 288**, **HB 321**, **HB 520**, **HB 481**, **HB 477**, **SB 171** had been examined and found correctly enrolled. Said bills read at length, compared, and signed in open session by the President. Ordered delivered to the House. **SB 171** delivered, signed by Speaker. Ordered delivered to the Governor.

The President appointed a committee composed of the following Senators to serve with a like committee from the House to inform the Governor that the Senate has completed its duties and to inquire if he has any further message to the Legislature.

Senator Burnis T. Martin, Chairman
Senator Alvin Kidwell
Senator James C. Ware
Senator Cabell D. Francis
Senator Durham W. Howard
Senator Martin J. Duffy
Senator Stanley H. Blake
Senator Ed J. Kelly
Senator Mrs. J. Harry Davis

REPORT OF COMMITTEE

After a time the said committee reported that they had been received by the Governor, that said committee had discharged the duties imposed upon them and that the Governor of the Commonwealth had no further communication.

The Journals of the Senate were then read and compared and approved by the Senate.

Senator Ware moved that the Senate do now adjourn sine die.

Said motion was agreed to.

And then the Senate adjourned sine die.

APPROVED:

Wilson W. Wyatt

President of the Senate

ATTEST:

John W. Willis

Chief Clerk of the Senate

VETO MESSAGES

(Spread Upon the Register of the Secretary of State After *Sine Die Adjournment*)

SB 68 I am vetoing SB 68 because the present law is sufficiently liberal to accomplish the desired purpose of this Act, and because this Act would in effect amount to an automatic leave of absence regardless of the necessity for same. Moreover, since the teachers are obtaining a substantial increase in salary, I am unwilling at this time to provide for more liberal rules in regard to leave of absence.

Bert Combs
Governor

March 26, 1960

SB 96. It is my firm conviction that with the integrated bar, headed by the Court of Appeals, such things as Bar Association dues do not fall within the prerogative of the Legislature. It is my considered opinion that no legislative enactment is necessary to fix Bar Association dues. I think it is unsound in principle to ask the Legislature for authority which is inherent in the Court of Appeals and the Bar Association.

For these reasons I am vetoing SB 96.

Bert Combs
Governor

March 26, 1960

SB 135. Senate Bill 135 is vetoed because it would deny the Department of Child Welfare the right to return children for whom the Department has no suitable facilities to the court for further disposition of the cases.

Bert Combs
Governor

March 26, 1960

SB 214. I am vetoing SB 214 on the theory that the action of the State Board of Education should be final in the absence of fraud or arbitrary decision, and the law presently would authorize an appeal from that type of action.

Bert Combs
Governor

March 26, 1960

SB 269. I am vetoing SB 269 for the reason that it does not accomplish the purpose for which it was intended. It encourages instead of discourages closed or executive sessions of state boards or agencies.

Bert Combs
Governor

March 26, 1960

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HISTORY OF SENATE BILLS

Numbers refer to page of Senate Journal. The text of bill is given on 1st reading. The names of sponsors are in parentheses; when a bill has more than two sponsors only the first is listed in this history, but all sponsors are listed when a bill is introduced.

SB	1	Increases membership of County Health Boards from five to six. (Duffy)
SB	2	Increases membership of State Board of Health from nine to ten. (Duffy)
SB	3	Authorizes small corporations to elect treatment as partnership for Kentucky Income tax. (Miller)
SB	4	Reduces permissible area of incorporation from 125 to 25 inhabitants. (Garnett)
SB	5	Imposes three per cent gross receipts tax on retail merchants. (Blake)
SB	6	Changes date of primary election. (Bishop, Logan)
SB	7	Requires meetings of government agencies to be open. (McCann)
SB	8	Adds prison confinement for life without parole to punishments for wilful murder. (Duffy)
SB	9	Raises pay of grand and petit jurors. (C. S. Howard)
SB	10	Changes period within which election certificates must be filed from 5 to 3 days. (C. S. Howard)
SB	11	Authorizes payment of bonus to members of Armed Services during wartime. (Johnson and others)
SB	12	Permits cities and counties to acquire cemetery for war memorials. (Ware)
SB	13	Repeals inheritance and estate taxes. (C. S. Howard)
SB	14	Provides maximum penalty for destruction of property by explosion. (C. H. Davis, Johnson)
SB	15	Increases compensation of person returning fugitive to State. (Duffy and others)
SB	16	Requires records of termination of parental rights to be confidential. (Miller)
SB	17	Establishes confinement in penitentiary without parole as alternative punishment for offenses. (Overbey)
SB	18	Requires public offices of subdivisions less than counties to post financial reports. (Logan)
SB	19	Transfers Logan County to Second Congressional District. (Logan)
SB	20	Prohibits discrimination because of age for purposes of State Employment. (McCann)
SB	21	Authorizes shareholder to examine corporate records at any reasonable time. (McCann)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 1	27	54	72	72	83	96	212	219	
SB 2	27	54	73	73	83	97	212	219	
SB 3	27	54	516	518	563	1201			
SB 4	27	54							
SB 5	27	54	62						
SB 6	27	54							
SB 7	29	54	86						
SB 8	29	54	62	63	69	71			
SB 9	29	54							
SB 10	29	54	195	196	205	213	385	443	388
SB 11	29	54							
SB 12	56	58	86	87	101	115	231	274	
SB 13	56	58							
SB 14	56	58	62	62	69	71	385	437	
SB 15	58	58	65	66	71	84	345	354	
SB 16	58	58	66	66	71	84			
SB 17	58	58							
SB 18	58	58							
SB 19	58	58							211
SB 20	58	58							
SB 21	58	58	95	95	101				218

SB 22	Requires the 95 per cent refund on aircraft fuel to be placed in an Airport Development Fund. (Johnson and others)
SB 23	Abolishes mandatory equal division of commissions between resident and non resident insurance agents. (Johnson)
SB 24	Requires polio vaccination as prerequisite to enrollment of all school children. (Hamilton)
SB 25	Specifies the amount of tax exemption on inheritable interests. (Hehl)
SB 26	Changes time limit on refiling for discontinued occupational disease allowances. (Martin)
SB 27	Restricts sale and disposition of plastic containers. (McCann)
SB 28	Eliminates Federal in lieu payments in computing local tax effort for school foundation program. (Melton and others)
SB 29	Changes procedures for municipal acquisition of electric systems. (Melton and others)
SB 30	Authorizes County and Circuit Clerks and notaries public to draft deeds and mortgages. (Bishop)
SB 31	Abolishes Highway Advisory Commission and increases salaries of public officials. (Ware)
SB 32	Abolishes Board of Claims and creates new board with increased membership. (Ware)
SB 33	Specifies prohibited marriages and establishes minimum age of persons for valid marriage. (Overbey)
SB 34	Places Ballard County in 42nd Circuit Court district; reschedules terms of courts. (Overbey)
SB 35	Concurs in Act of 1959 General Assembly relating to referendum on Constitutional Convention. (Ware and others)
SB 36	Authorizes 1st, 2nd and 3rd class cities to regulate persons engaged in electrical work. (Ware)
SB 37	Authorizes Higher Education Council to make loans to resident students. (Miller, Richmond)
SB 38	Empowers cities and counties to jointly plan and zone incorporated areas. (Kelly and others)
SB 39	Authorizes police officers to accept outside employment. (C. S. Howard)
SB 40	Changes requirements for detailing contributions to limited partnerships. (Duffy)
SB 41	Changes method of transferring motor vehicle registration. (Kidwell)
SB 42	Establishes annexation procedures for cities of first three classes. (Ware)
SB 43	Prohibits junkyards within 200 feet of Federal Highway. (Kelly, D. W. Howard)

	Intro-duced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	House Message	Enrolled	Other Action
SB 22	58	63							
SB 23	58	63	105	105	123	131			
SB 24	61	63	72	257	285	296			125
SB 25	61	64	258	258	285				354
SB 26	61	64	120	120	127	190	680	681	
SB 27	61	64	72	72	83	228			230
SB 28	61	64	94	95	101	116			
SB 29	61	64	116						
SB 30	61	64							
SB 31	61	64	67	67	71	84	133	192	
SB 32	61	64	109	109	123	205	442	562	447
SB 33	64	74	82	82	96	103	215	246	
SB 34	64	74	76	76	96				198
SB 35	64	74	78	78	96				189
SB 36	65	74	133	133	188	688	1506	1510	192 208 229 377 437
SB 37	65	74	113	113	123	132			
SB 38	65	74	86	87	101	115			
SB 39	65	74							
SB 40	70	76	112	112	123	132	1506	1510	
SB 41	70	76	105	105	123	189	322	354	327
SB 42	70	76	203	203	212	245			
SB 43	70	76							

SB	44	Creates Commission for Handicapped Children to replace Crippled Children's Commission. (Young and others)
SB	45	Changes maximum salary of Commonwealth's attorney district detective. (Ware)
SB	46	Requires certificate from county coroner before cremation of person dying in State. (Francis)
SB	47	Authorizes contract for construction of statue of Alben W. Barkley. (Melton and others)
SB	48	Prohibits sales of motor vehicles to persons under 18 years of age. (McCann)
SB	49	Changes list of property exempt from execution, attachment, garnishment distraint and fee-bill. (McCann)
SB	50	Allows counties with city of 2nd class to finance law libraries from court costs. (Logan)
SB	51	Authorizes payment of maximum fee of $50 to attorney defending indigent person. (Logan)
SB	52	Changes authorization for monthly pension allowances to employes of cities of 2nd class. (Kinkead)
SB	53	Changes qualifications of applicants for civil service employment in cities of 2nd class. (Kinkead)
SB	54	Removes limitation of 5 cents per hour on parking meter fees in cities of 2nd class. (Kinkead)
SB	55	Changes authorization and procedure for annexation of contiguous territory by cities of 1st or 2nd class. (Kinkead)
SB	56	Prohibits conduct of auction by stockyard later than 11:00 p.m. (Hamilton)
SB	57	Creates Board to administer regulation of independent business schools. (Richmond)
SB	58	Permits school board to expend money for liability insurance. (Hehl)
SB	59	Absolves school board members from personal liability for official acts. (Hehl)
SB	60	Increases salaries of public officers. (Ware)
SB	61	Requires use of safety belts in moving automobiles. (McCann and others)
SB	62	Prescribes duties of judges of quarterly court. (Kelly)
SB	63	Stipulates conditions necessary for a cause of action from injury to automobile passenger. (C. S. Howard)
SB	64	Requires Veterinary Examiners to promulgate code of conduct. (Melton)
SB	65	Requires county attorney to assist Veterinary Examiners in court action for unauthorized practice . (Melton)
SB	66	Changes distribution method of funds for county roads and bridges and makes appropriation. (Bishop)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 44	70	76	121	121	127	136	442	562	450
SB 45	70	76	225	225	245	314			
SB 46	70	76	246	246	273	289	822	841	829
SB 47	70	76	579	579	822				
SB 48	70	76	105						
SB 49	75	98	393	393	561	1118			
SB 50	75	98	118	119	127	190	345	354	
SB 51	75	98							
SB 52	75	98	117	117	127	190	231	274	
SB 53	75	98	117	117	127	190	231	274	
SB 54	75	98	117	118	127	190	231	274	
SB 55	75	98	556	556	563	828			
SB 56	75	98	525	525	563				
SB 57	75	98	249	249	273	315			
SB 58	75	98	328	328	353	381			
SB 59	75	98							
SB 60	75	98	100	100	115	228	345	358	346
SB 61	86	103							
SB 62	86	103	958	1002	1114				
SB 63	86	103							
SB 64	86	103							
SB 65	86	103							
SB 66	86	116							

SB	67	Prohibits any cost from being taxed against successful defendant in criminal action. (Logan)
SB	68	Authorizes education superintendents to grant leaves of absence to teachers. (D. W. Howard, Johnson)
SB	69	Increases fee of circuit court witnesses. (Logan)
SB	70	Appropriates from Road Fund for county roads and bridges. (Blake)
SB	71	Reserves proceeds from leases of deposits in Ohio River to adjoining county. (Blue)
SB	72	Extends list of exceptions to maximum debt of one person to bank. (Blue)
SB	73	Extends list of permissible investments by banks. (Blue)
SB	74	Extends list of permissible investments by insurers. (Blue)
SB	75	Extends list of permissible investments by fiduciary. (Blue)
SB	76	Authorizes suits against partnership's. (Ware)
SB	77	Authorizes Department of Highways or Aeronautics to construct airplane runways. (Miller)
SB	78	Authorizes additional tax credit for incapacitating injury. (Hamilton)
SB	79	Restricts business activities of coroners during term of office. (Bassett and others)
SB	80	Permits licensing of veterinarians with 15 years practical experience. (Derickson)
SB	81	Authorizes assistance of blind voters by persons of their choice. (C. H. Davis and others)
SB	82	Restricts area of operation of sanitation districts. (Ware)
SB	83	Abolishes county and lesser subdivision poll taxes. (White)
SB	84	Restricts use of tax refundable gasoline to farm machinery. (White)
SB	85	Abolishes free textbook program in public schools. (Bassett)
SB	86	Adds facilities to the list of public utility water districts. (Martin)
SB	87	Requires transfer of excess sinking fund collections of 1st class cities to general fund. (Miller)
SB	88	Increases gross weight limit of farm truck. (White)
SB	89	Reclassifies hit and run driving offense as a felony. (Johnson)
SB	90	Establishes program for state licensing of contractors. (Derickson)
SB	91	Expands judicial services of 30th circuit court district. (Duffy, Miller)

	Intro-duced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 67	86	103	343						
SB 68	86	103	1026	1112	1200	1361	1528	1532	1529 1532
SB 69	99	116							
SB 70	99	116	1206	1225	1290				
SB 71	99	116	131	131	135	245			
SB 72	99	116	579	661	822	1018	1506	1510	
SB 73	99	116	579	665	822	1018	1506	1510	
SB 74	99	116	691	766	841	1019	1506	1510	
SB 75	99	116	691	767	841	1019	1506	1510	
SB 76	99	116	120	120	127	207			
SB 77	99	116							
SB 78	99	116							
SB 79	104	132							
SB 80	104	132							
SB 81	104	132	195	195	205	212	298		
SB 82	104	132	133	133	188	208	680	958	833 900 958
SB 83	104	132							
SB 84	104	132	374	374	437	566	1498	1510	
SB 85	104	132							
SB 86	117	132	292	292	296	321	1506	1516	1509 1516
SB 87	117	132	203	204	212	229			
SB 88	117	132	201	201	212	1022	1522	1530	245 1530
SB 89	117	132	232	232	273	287			
SB 90	117	137							
SB 91	126	137	225	226	245	275	845	894	894

SB 92	Increases maximum penalty for littering highways to $300. (Hamilton)
SB 93	Authorizes acceptance of Federal grants by Department of Agriculture, Labor and Statistics. (Garnett)
SB 94	Establishes conditions for payment of temporary unemployment benefits. (Raney, Conley)
SB 95	Permits additional types of insurance under specified conditions by cooperative companies. (Kinkead and others)
SB 96	Removes limitation on fees for rules governing law practice. (Garnett, Ware)
SB 97	Permits eligibility of junior college employes in old age and Survivors Insurance System. (Melton)
SB 98	Exempts fishing in privately-owned lake or pond from licensing requirement. (C. S. Howard)
SB 99	Authorizes creation of auxiliary police force by cities of 2nd class. (Hehl)
SB 100	Stipulates qualifications of officers, agents and employes of trade unions. (Hamilton)
SB 101	Changes list of operations subject to anhydrous ammonia handling license. (Young)
SB 102	Requires establishment of University Extension Center at Elizabethtown. (C. S. Howard)
SB 103	Changes membership and pay of State Board of Agriculture. (Francis)
SB 104	Prohibits use of any device by unauthorized person to obtain credit. (Hamilton)
SB 105	Revises terms of 19th judicial district circuit courts. (Kelly, Blake)
SB 106	Reclassifies Fort Wright as 4th class city. (Ware)
SB 107	Grants free fishing licenses to persons with defective sight. (Duncan)
SB 108	Requires license for truck used in transient sales. (Raney)
SB 109	Prohibits incorporation of city within 3 miles of 1st or 2nd class city. (Garnett, Kinkead)
SB 110	Changes requirements of governmental units for the establishment of library services. (Miller)
SB 111	Requires bicycles to be operated on left side of traveled roadway. (Duffy)
SB 112	Changes qualifications of embalmers and membership of Board of Embalmers. (Craft)
SB 113	Establishes regulatory procedure over sale of agriculture limestone. (White)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 92	126	137	224	224	245	274			
SB 93	126	137	367	369	437	451	1388	1447	1447
SB 94	126	198							
SB 95	126	137							
SB 96	127	137	225	226	245	275	1506	1516	1510 1516
SB 97	127	137	202	202	212	218			
SB 98	127	137							
SB 99	127	137	285	285	296	320	1498	1510	
SB 100	133	137							
SB 101	133	137	373	373	437				452
SB 102	133	137	202	255	273	315	1506	1530	205 1518 1530
SB 103	137	198	372	372	437	1205			
SB 104	137	198	313	313	320	355	1528	1532	1532
SB 105	138	198	225	225	273	286			
SB 106	138	198	223	223	245	273	680	686	681
SB 107	138	198							
SB 108	138	198	243	244	273	288			289 1176 1290
SB 109	188	198	203	204	212	229			
SB 110	188	198	216	216	227	285			
SB 111	194	214	284	284	296	320			
SB 112	194	214	232	232	273	287	822	841	
SB 113	199	214	958	1006	1114	1294	1522	1530	1525 1530

SB 114	Prohibits the solicitation of legal business by attorneys. (Conley, Ware)
SB 115	Changes size and duty hours of fire fighting units in cities of 3rd class. (Blue)
SB 116	Requires signature of person preparing corporate organization or dissolution papers before recording. (Garnett)
SB 117	Requires bond of industrial employers to service payroll. (Martin and others)
SB 118	Establishes Prevailing Wage Board to set wages paid to workers on public projects. (Conley and others)
SB 119	Authorizes advisory committee to assist circuit court judges in domestic relations cases. (Hehl)
SB 120	Requires divorce orders to be in form of interlocutory orders. (Hehl, Ware)
SB 121	Requires licensing and inspection of pharmacies. (Ware)
SB 122	Creates Board of Boiler Rules to ascertain boiler safety. (Raney)
SB 123	Restricts location of advertising devices on interstate highways. (Kidwell)
SB 124	Changes procedure for summoning jurors in criminal cases. (Overbey, Garnett)
SB 125	Authorizes expense allowance for circuit judges. (Overbey, Garnett)
SB 126	Removes fee limitation for report of guardian. (Garnett)
SB 127	Reduces tax on cigarette sales to 2 cents. (Blake)
SB 128	Exempts homestead from taxable property. (Johnson)
SB 129	Prohibits mining within 5 feet of another's property. (Martin)
SB 130	Provides for refund of 95% of fuel used in operation of boat motors. (D. W. Howard, Duncan)
SB 131	Imposes liability for injuries resulting from intoxication upon upon seller of alcoholic beverages. (Overbey and others)
SB 132	Defines prohibited sale practices and requires designation of weights and prices on packaged commodities. (Derickson)
SB 133	Redefines employers subject to unemployment compensation tax and revises benefit rate. (Raney)
SB 134	Requires payment for use of private home for use as voting place. (McCann)
SB 135	Redefines court jurisdiction of juvenile delinquents. (Duffy)
SB 136	Establishes alternative method of sewer construction. (Duffy)
SB 137	Removes requirement for city and county concurrence in adjustment of master zoning plan. (Duffy)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 114	199	214	225	225	245	286			
SB 115	199	214							
SB 116	200	214	579	666	822	953			954 957
SB 117	200	214							
SB 118	200	214	322	322	344	356	845	958	900 958
SB 119	212	219	343	344	353	565			
SB 120	212	219	392	392	561				
SB 121	212	219	309	309	320	564			
SB 122	212	219							
SB 123	215	230							
SB 124	215	230	339	340	353	383			
SB 125	215	276	1176	1198	1290				
SB 126	216	230	343	343	353	385			
SB 127	216	230							
SB 128	216	230							
SB 129	220	276	343	343	353	565			
SB 130	220	276							
SB 131	220	276	390	391	561				
SB 132	220	277	367	369	437	453	1388	1447	1447
SB 133	220	277							
SB 134	231	277							
SB 135	231	276	394	395	561	684	1388	1447	1447
SB 136	231	277	279	279	296	315	1388	1447	1447
SB 137	232	277	279	279	296	316	1388	1447	1447

SB 138	Revising appeal procedure from decisions of planning and zoning commissions of 1st class city or county with such city. (Duffy)
SB 139	Requires conformity with zoning provisions of non-conforming structure use if use discontinued for 1 year. (Duffy)
SB 140	Requires zoning commission approval prior to land subdivision. (Duffy)
SB 141	Authorizes two or more cities to consolidate. (Mrs. J. H. Davis)
SB 142	Prohibits location of automobile service interprises on limited access highways. (Hamilton)
SB 143	Changes requirements of valid claims for unemployment insurance. (C. H. Davis, Hamilton)
SB 144	Authorizes cause of action for interruption of utility service. (Kinkead)
SB 145	Increases benefit payments to claimants for workmen's compensation. (Raney and others)
SB 146	Authorizes extension of circuit court term. (Kelly)
SB 147	Rearranges income tax definitions by subject. (McCann)
SB 148	Reapportions cost of sewer construction. (Duffy)
SB 149	Permits appointment of municipal officer to make retrospective property assessments. (Duffy)
SB 150	Authorizes sewer districts to acquire personal property. (Duffy)
SB 151	Prohibits municipal imposition of tax upon motor vehicle with permit or certificate. (Duffy)
SB 152	Removes exemption of state fair operations from license taxes. (Duffy)
SB 153	Entitles health departments in counties with first class cities to same state aid as for other health departments. (Duffy)
SB 154	Restricts territorial jurisdiction of city planning commissions. (White)
SB 155	Authorizes creation of business development corporations to aid business finance. (Francis and others)
SB 156	Establishes a rate per election as means of compensating election officials. (McCann)
SB 157	Provides for tax refund for motorboat fuel. (Bonn)
SB 158	Vests chairmanship of the Disabled Ex-Servicemen's Board in the Adjutant General. (Ware)
SB 159	Requires the Governor to fix salary of the Custodian of Insurance Securities. (Ware)
SB 160	Exempts persons rendering emergency aid from liability for damages. (Johnson)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 138	232	277	279	281	296				
SB 139	232	277	279	282	296				
SB 140	232	277	279	283	296	354	1528	1532	1530 1532
SB 141	232	277	404	414	561				
SB 142	232	276	394	394	561				
SB 143	232	277							
SB 144	257	293							
SB 145	257	293	781	781	841				
SB 146	257	293	532	533	563	830			
SB 147	257	293							
SB 148	276	293	348	351	379	438	1388	1447	1447
SB 149	276	293	348	350	379	438			
SB 150	276	293	350	349	379	438	1506	1516	1510 1516
SB 151	276	293	378	378	437	452			
SB 152	276	293	383	384	437				567
SB 153	276	293	348	349	379	437	1506	1516	1511 1516
SB 154	276	293							
SB 155	278	318	328	328	353	381	833	894	357 894
SB 156	278	318							
SB 157	278	318	383	383	437	1360	1528	1532	1532
SB 158	278	318	579	579	822	896	1498	1510	
SB 159	278	318	348	349	379	437	1498	1510	
SB 160	278	318	1206	1245	1290				

SB 161	Reduces value in controversy required for appeals to Court of Appeals. (Blake)
SB 162	Creates a State Mortgage Agency. (Johnson and others)
SB 163	Authorizes financial institutions to invest in property insurable under FHA rules. (Richmond)
SB 164	Revises provisions relating to election expenditures by candidates and parties. (Kinkead)
SB 165	Changes method of compensating unemployment insurance commissioners. (Hehl)
SB 166	Revises real estate brokers' licensing provisions. (Conley)
SB 167	Requires licensing of traveling mutual insurance representatives. (Johnson)
SB 168	Revises State Police retirement provisions. (Ware)
SB 169	Establishes a state minimum wage law. (Raney, Martin)
SB 170	Authorizes popular election of county school superintendents. (Logan)
SB 171	Reclassifies the office of special circuit judge. (Ware, Overbey)
SB 172	Exempts medicine and food for home use from the sales tax. (Duncan and others)
SB 173	Creates an Administrative Office of the Courts. (Ware, Overbey)
SB 174	Requires licensing of magazine salesmen, peddlers, and solicitors. (McCann)
SB 175	Proposes constitutional amendment to legalize a Kentucky Derby Sweepstakes. (McCann)
SB 176	Authorizes cities to exercise legislative powers as if granted by the General Assembly. (Bassett)
SB 177	Prohibits motor vehicle operation by persons under narcotics influence. (McCann)
SB 178	Revises police and firemen's pension provisions for third class cities. (Kelly)
SB 179	Provides for conditional expiration of oil and gas leases. (Francis)
SB 180	Enacts the common law Rule Against Perpetuities. (Ware, Francis)
SB 181	Requires newspaper publication of public notices. (Jackson and others)
SB 182	Increases social security payments by public employes. (Ware)
SB 183	Requires executors to determine net probate income. (Ware)
SB 184	Revises legal notices publication provisions. (Kinkead and others)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 161	278	318							
SB 162	278	318	550	551	563	1361			
SB 163	296	318	366	366	437	830	1498	1510	
SB 164	296	318	691	771	841				
SB 165	296	318	579	666	822	897	1498	1510	
SB 166	307	326	579	661	822	1119	1528	1532	1532
SB 167	307	326							
SB 168	307	326	796	807	841	896	1498	1510	
SB 169	308	326							
SB 170	308	326							
SB 171	308	326	579	580	822	895	1520	1541	1523 1535 1541
SB 172	308	326							
SB 173	320	345	358	358	437	566	1506	1516	1512 1516
SB 174	320	345							
SB 175	328	356							
SB 176	328	356	404	412	561				
SB 177	347	441							
SB 178	347	441							
SB 179	348	441	535	536	563	826			826
SB 180	348	441	539	539	563	826	1498	1510	952
SB 181	348	441							
SB 182	348	441	478	505	563	681	1498	1516	1516
SB 183	348	441	535	537	563	689			
SB 184	348	441	567	567	576	685	1388	1456	1446 1456

SB 185	Requires police court judges to select jurors in counties with second class cities. (Kinkead)
SB 186	Prohibits fiscal courts from financing special benefits from general funds. (Hehl)
SB 187	Authorizes cities to engage attorneys to revise and codify ordinances. (Richmond)
SB 188	Limits interest rate on industrial and residential real estate loans. (Melton and others)
SB 189	Requires taxation of exempt property when made available for profit-making. (Logan)
SB 190	Authorizes expenditure of rural highway funds for city streets. (Hamilton)
SB 191	Lowers the legal age to 18 years. (Blue)
SB 192	Amends the state constitution to authorize lotteries for non-profit purposes. (McCann)
SB 193	Exempts contract bid bonds from insurance countersignature provisions. (Melton)
SB 194	Authorizes appeal of motor vehicle license suspensions. (Blake)
SB 195	Grants a charter to the Kentucky Historical Society. (Garnett, Ware)
SB 196	Revises workmen's compensation provisions. (Hubbard and others)
SB 197	Establishes a Forty Eighth Judicial District, consisting of Franklin County. (Overbey)
SB 198	Revises insurance regulation provisions. (Duffy)
SB 199	Makes less-than-cost sales evidence of intent to destroy competition. (McCann)
SB 200	Revises Jessamine County circuit court terms. (Jackson, Derickson)
SB 201	Exempts specified subdivision tracts from planning and zoning definitions. (Kinkead)
SB 202	Grants control of public ways to fifth and sixth class cities. (C. S. Howard and others)
SB 203	Revises licensing provisions for architects. (Francis)
SB 204	Requires that teachers' salaries be to the foundation fund allotment for the rank. (Richmond)
SB 205	Prohibits other than attorneys or parties involved from representing interests in state hearings. (Garnett and others)
SB 206	Authorizes levy on personal property of delinquent taxpayers. (Garnett)
SB 207	Authorizes cities to adopt codes by reference. (Conley, Hehl)
SB 208	Makes the county forestry fund tax permissive instead of mandatory. (Duffy)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 185	348	441	535	538	563	1202	1528	1532	1532
SB 186	348	441							
SB 187	348	441	454	454	563	1294			
SB 188	348	441	534	534	563	688			
SB 189	348	441							
SB 190	348	441							
SB 191	358	441							
SB 192	358	441							
SB 193	358	441	455	476	563	832			
SB 194	358	441							
SB 195	386	441	511	511	563	896	1498	1510	
SB 196	386	441							
SB 197	387	442	1026	1108	1200	1358	1520	1530	1530
SB 198	387	442	455	455	563	687	1462		
SB 199	387	442							
SB 200	387	442	535	535	563	687	1388	1447	1447
SB 201	387	442	845	888	952				
SB 202	387	442	454	454	563	688	1528	1532	1532
SB 203	387	442	478	498	563	1120	1528	1532	1532
SB 204	453								
SB 205	453	567	833	840	894				
SB 206	453	567	796	805	841	1292			
SB 207	453		691	768	841	1021			1021
SB 208	453		579	663	822	953	1528	1532	1532

SB 209	Prohibits traffic in products likely to cause suffocation. (McCann)
SB 210	Prohibits constables from exercising authority outside their districts. (Blake)
SB 211	Limits tobacco warehouse fees. (Blue)
SB 212	Authorizes appointment of County Buildings Commissions for financing buildings. (C. H. Davis)
SB 213	Authorizes formation of County Air Boards for airport development. (C. H. Davis)
SB 214	Authorizes appeal de novo from State Education Board decisions. (Overbey)
SB 215	Requires improvements on the Levi Jackson State Park. (Bishop)
SB 216	Authorizes transfer of fishing license issuance authority to circuit clerks. (White)
SB 217	Requires use of state drunken driving fines for Alcoholism Commission purposes. (Hamilton)
SB 218	Revises fraternal society life insurance provisions. (Kinkead)
SB 219	Authorizes right of eminent domain to fiscal courts for road work. (Duffy)
SB 220	Requires continuing service status for teachers with college or standard certificates. (Kelly)
SB 221	Requires permit for junkyard operators. (Kelly)
SB 222	Prohibits discrimination in granting rebates to the clergy. (Craft)
SB 223	Creates the Kentucky Turnpike Authority for turnpike finance. (Ware)
SB 224	Revises turnpike financing provisions. (Ware)
SB 225	Prohibits taking an extralegal interest note as corporate defense in actions on obligations. (Ware)
SB 226	Prohibits Sunday operation of businesses related to motor vehicles. (Bonn)
SB 227	Revises absent voting provisions. (Ware)
SB 228	Extends social security coverage to school teachers. (Hehl, Conley)
SB 229	Revises petty loan company interest rate and maximum loan provisions. (Johnson)
SB 230	Makes optometrists' testimony qualified evidence in state optometry matters. (Ware)
SB 231	Enacts a Uniform Motor Vehicle Certificate of Title Act. (Francis, Ware)
SB 232	Increases mileage allowance for operation of state employes' vehicles. (Bishop)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	House Message	Enrolled	Other Action
SB 209	453								
SB 210	453	567							
SB 211	453								
SB 212	453		1206	1235	1290				
SB 213	453		1206	1240	1290				
SB 214	562		796	807	841	1015	1522	1530	1530
SB 215	562								
SB 216	562								
SB 217	562								
SB 218	562		1248	1281	1357	1447	1528	1533	1533
SB 219	562		579	668	822	953	1506	1510	
SB 220	562								
SB 221	562		958	1006	1114				
SB 222	562		691	769	841				
SB 223	562		579	582	822	894	1498	1510	
SB 224	563		579	603	822	895	1498	1510	
SB 225	563		579	615	822	895	1498	1510	
SB 226	575		1026	1113	1200	1451			
SB 227	575		691	691	841				
SB 228	578								
SB 229	578								
SB 230	578		845	893	952	1023	1388	1447	1447
SB 231	578		691	696	841	1115			
SB 232	578								

SB 233	Authorizes the Governor to call for display of the U. S. flag on Grandfather's Day. (McCann)
SB 234	Revises provisions relating to the Rules of Criminal Procedure. (Garnett and others)
SB 235	Establishes regulatory provisions for the conservation of oil and gas. (Blue and others)
SB 236	Repeals qualification of veterans taking state bar examinations. (Hamilton)
SB 237	Revises provisions relating to regulation of plumbers and plumbing. (Ware)
SB 238	Places appeals regulation under the Rules of Civil Procedure in specified cases. (Ware and others)
SB 239	Authorizes transfer of Fish and Wildlife employes to the State Police Retirement System. (Derickson)
SB 240	Adds grounds for suspension of public accountancy permits. (Conley)
SB 241	Increases public accountancy permit fees. (Conley)
SB 242	Prohibits door-to-door or unlicensed sales of drugs. (McCann)
SB 243	Requires specified information in mastheads of publications containing advertising. (McCann)
SB 244	Authorizes joint operation of water supply sources by two or more cities or water districts. (Hehl, Ware)
SB 245	Requires licensing of private homes for the aged. (Ware)
SB 246	Enacts the Interstate Compact on Juveniles. (Ware)
SB 247	Revises provisions for the regulation of termite and pest control firms. (Melton)
SB 248	Includes General Assembly members in the State Employes Retirement System. (McCann)
SB 249	Limits classes for retarded children to 15 children per class. (McCann)
SB 250	Revises petty loan company provisions. (Ware, Blue)
SB 251	Provides for referendum on state bond issue for highways and parks. (Ware)
SB 252	Revises membership of the Industrial Development Authority. (Ware)
SB 253	Authorizes private schools to qualify as state schools for exceptional children. (Ware and others)
SB 254	Requires licensing for the administration of lie-detector tests. (Duffy)
SB 255	Adds specified life insurance to securities subject to Uniform Gifts to Minors Act. (Duffy)

	Intro-duced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 233	579								
SB 234	579		691	711	841	897			
SB 235	579		691	754	841	1020	1528	1532	1528, 1532
SB 236	687								
SB 237	691		958	988	1114	1291	1528	1535	1535
SB 238	691		833	834	894	1015	1506	1510	
SB 239	691		901	951	1014	1121	1506	1510	
SB 240	691		845	882	952	1119	1528	1532	1532
SB 241	691		845	882	952	1119	1528	1532	1532
SB 242	691								
SB 243	691		1026	1094	1200	1359			
SB 244	833		845	846	952	1021			
SB 245	833		845	852	952	1114	1506	1510	
SB 246	833		845	856	952	1200	1506	1516	1511, 1516
SB 247	833		845	877	952	1020	1506	1510	
SB 248	833								
SB 249	833		1301	1338	1357				
SB 250	844		901	914	1014	1114	1388	1460	1445, 1460
SB 251	844		901	927	1014	1115	1506	1510	
SB 252	844		901	913	1014	1114	1498	1510	
SB 253	844		901	938	1014	1115	1498	1510	
SB 254	844								
SB 255	844		901	946	1014	1122	1522	1530	1530

SB 256	Authorizes property assessments for sewage facilities. (Kinkead)
SB 257	Revises eminent domain provisions for urban redevolpment. (Ware, Hehl)
SB 258	Authorizes cancellation of workmen's compensation insurance. (Bassett)
SB 259	Assigns Harlan County to the Commonwealth of Virginia. (Johnson)
SB 260	Excludes Sundays and holidays in computation of time allowed by statute. (Martin)
SB 261	Prohibits state agencies from discriminating against employes due to age. (Johnson)
SB 262	Requires annual salary of $1,200 to constables in counties with 250,000 or less. (Bishop)
SB 263	Requires registration of securities dealers and agents. (Ware)
SB 264	Revises provisions relating to planning and zoning in first class cities. (Duffy)
SB 265	Exempts specified coal trucks from motor carrier taxation and regulation. (Craft)
SB 266	Increases unemployment compensation to specified workers. (Ware)
SB 267	Transfers Hindman to the fifth class of cities. (Martin)
SB 268	Creates a Kentucky Taxpayers' Retirement System. (Blake)
SB 269	Requires conduct of public agency business at open meetings. (Kinkead)
SB 270	Exempts certain real estate agents from license examination. (Derickson)
SB 271	Adds 2 non-voting members to the University of Kentucky Board of Trustees. (Ware)
SB 272	Authorizes Finance Commissioner to issue blanket bonds by department. (Ware)
SB 273	Increases risk valuation limit for the State Fire and Tornado Fund. (Ware)
SB 274	Adopts the Southern Interstate Nuclear Compact. (Ware)
SB 275	Requires mud flaps on Highways Department trucks. (Johnson)
SB 276	Authorizes appointment of board of education fiscal officers. (Craft)
SB 277	Authorizes cities to require utility service requestors to pay construction costs. (Duffy)
SB 278	Transfers Paris to the third class of cities. (Blake)
SB 279	Creates an Elevator Safety Board. (McCann)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 256	844		901	901	1014	1295	1528	1532	1532
SB 257	844		901	938	1014	1122	1506	1516	1511, 1516
SB 258	844		958	1008	1114				
SB 259	845								
SB 260	845		901	901	1014	1121			
SB 261	845								
SB 262	899								
SB 263	899		958	958	1114	1203	1506	1510	
SB 264	899		958	999	1114				
SB 265	899		958	1001	1114				
SB 266	899		958	986	1114	1201	1498	1510	
SB 267	957		1026	1113	1200	1358			
SB 268	957								
SB 269	957		1026	1094	1200	1292	1520	1530	1523, 1530
SB 270	957								
SB 271	957		1026	1082	1200	1293	1528	1532	1529, 1532
SB 272	957		1026	1083	1200	1293			
SB 273	957		1026	1084	1200	1293			
SB 274	957		1026	1085	1200	1292	1522	1530	1530
SB 275	957								
SB 276	1017		1026	1093	1200				
SB 277	1017		1026	1093	1200	1359			
SB 278	1024								
SB 279	1024		1206	1226	1290				

SB 280	Authorizes formation of county public library districts. (Ware)
SB 281	Reduces certain distilled spirits taxes. (Richmond, Hickerson)
SB 282	Requires cemeteries to establish merchandise trust funds. (Duffy)
SB 283	Increases salary of Commissioner of Mines and Minerals. (C. H. Davis and others)
SB 284	Revises nuclear energy provisions. (Ware)
SB 285	Requires acceptance of state residents bidding on public contracts if less than 5 per cent higher than non-resident bidder. (McCann)

	Introduced	Referred	Reported	Readings			House Message	Enrolled	Other Action
				1st	2nd	3rd			
SB 280	1024		1176	1176	1290	1358	1528	1532	1529, 1532
SB 281	1024		1176	1190	1290				
SB 282	1122		1301	1333	1357	1448	1528	1532	1532
SB 283	1175		1248	1267	1357	1447	1522	1530	1530
SB 284	1247		1301	1336	1357	1450	1522	1530	1523, 1530
SB 285	1247								

HISTORY OF SENATE RESOLUTIONS

Numbers refer to page of Senate Journal. Text of resolution is given on first reading or adoption. Joint resolutions are designated SJR; concurrent resolutions are designated **SCR.**

SR	1	Adopts 1958 Senate rules temporarily. (Ware)
SR	2	Establishes a special committe on rules. (Ware)
SR	3	Invites Frankfort pastors to open sessions with prayer. (Ware)
SR	4	Provides for a committee to wait upon the Governor. (Ware)
SJR	5	Establishes a memorial to Augustus Owsley Stanley. (Young)
SR	6	Requests retention of Health Department offices in Louisville. (McCann)
SJR	7	Renames the University of Kentucky Medical School. (Logan)
SCR	8	Congratulates Ed Diddle. (Logan)
SR	9	Urges prompt removal of the Health Department to Frankfort. (Hamilton)
SCR	10	Urges establishment of a state park at Spindletop Farm. (Kinkead)
SCR	11	Adjournment from January 15, 1960, until January 20, 1960. (Ware)
SR	12	Urges budgetary provision for public assistance increases. (Craft)
SR	13	Requests preliminary surveys for the Rockcastle River Dam. (Bishop)
SCR	14	Adjournment in memory of Thomas A. Duke. (Kelly)
SR	15	Requests call of a special General Assembly session. (Bassett and others)
SCR	16	Adjournment in memory of Otto C. Gartin. (Conley)
SCR	17	Commends Don S. Sturgell. (Johnson and others)
SCR	18	Memorializes Congress to prohibit tobacco imports from Cuba. (Johnson)
SR	19	Requests Committee on Charitable and Penal Institutions to visit such institutions. (Hamilton, Young)
SR	20	Urges increased public assistance payments to the aged. (Bishop and others)
SJR	21	Memorializes the ICC to render a decision on Kentucky time standards. (Francis, Jackson)
SR	22	Makes honorable mention of Carl Russman. (Duffy)

		Introduced	Referred	Reported	Readings			Adopted	House Message	Enrolled	Other Action
					1st	2nd	3rd				
SR	1	5						20			
SR	2	20						20			
SR	3	20						20			
SR	4	20						21			
SJR	5	27		44	44	54	56	63	64	85	85
SR	6	27	58								
SJR	7	29	58	1026	1094	1200	1300				357
SCR	8	47						47	57		
SR	9	56	58								
SCR	10	61	64	82	83			83	125		
SCR	11	62						62	64		
SR	12	65	74					206			
SR	13	70	76					96			
SCR	14	70						71	99		
SR	15	75	98								193
SCR	16	75						76	125		
SCR	17	86						101			
SCR	18	99	116								
SR	19	99	116								
SR	20	104	132					207			
SR	21	104	132	138	142	198		206	215		
SR	22	126						126			

SR	23	Requests establishment of county medical scholarship funds. (Conley)
SR	24	Orders a public hearing on House Bill 75. (Miller)
SCR	25	Requests return of House Bill 67. (Kidwell)
SR	26	Requests a list of discharged state personnel. (Bassett)
SJR	27	Authorizes a study of the need for higher learning institutions. (Richmond, Conley)
SCR	28	Requests investigation of the Kentucky River Narrows as a state park site. (Bishop)
SJR	29	Makes appropriation for establishment of Rocky Creek State Park. (White)
SCR	30	Memorializes Congress to increase tobacco allotments. (Blake)
SR	31	Orders a study of veterans' bonus costs. (Conley, Kelly)
SCR	32	Requests consideration of a state park atop Pine Mountain. (Craft)
SR	33	Memorializes Congress to issue a Jefferson Davis Stamp. (White)
SR	34	Takes notice of the Henderson sesqui-centennial celebration. (Blue)
SR	35	Congratulates Miss Janet Like. (Overbey)
SR	36	Petitions Congress to consider World War I veterans benefits. (Johnson)
SCR	37	Memorializes Congress to refund taxes on cigarettes and distilled spirits. (Blake)
SCR	38	Memorializes Congress to reduce the cigarette tax. (Blake)
SR	39	Authorizes a committee to search out bills. (Johnson)
SR	40	Orders a committee to investigate the Governor's Mansion. (Blue)
SCR	41	Authorizes appointment of a War of 1812 Committee. (Duffy)
SCR	42	Expresses the policy of consideration of heating devices when letting state building contracts. (Johnson)
SCR	43	Expresses the policy of consideration of heating devices when letting state building contracts. (Johnson)
SR	44	Orders a list of all state personnel. (Richmond)
SR	45	Compliments the Eastern Kentucky Tourist Industries Council. (Bishop and others)
SR	46	Requests a study of labor union leadership. (Hamilton)
SCR	47	Memorializes Congress to prohibit construction of certain Ohio River bridges. (Ware)

		Introduced	Referred	Reported	Readings			Adopted	House Message	Enrolled	Other Action
					1st	2nd	3rd				
SR	23	194	214	246	248	273					
SR	24	194									195
SCR	25	215						215	223		
SR	26	220									221
SJR	27	221						221	1498		
SR	28	222						222	822		
SJR	29	279	318								
SCR	30	279	318	374	374	437	452	452	1388		
SR	31	295						295			
SCR	32	308						308			
SR	33	308						319			
SR	34	317						317			
SR	35	346						346			
SR	36	347						379			
SCR	37	348						380	1388		
SCR	38	348						380			
SR	39	387						387			
SR	40	442						446			
SCR	41	453						825	1025	1516	1516
SCR	42	453									
SCR	43	575									
SR	44	577									578
SCR	45	691									
SR	46	827						827			
SCR	47	831						831	1025		

SCR	48	Requests establishment of a state park in Edmonson County. (Logan)
SJR	49	Creates a joint education investigating committee. (Miller)
SR	50	Commends the city of Fort Thomas. (Hehl)
SCR	51	Orders notification of Fish and Wildlife Department of new road construction. (Bishop)
SCR	52	Congratulates Burkesville on its sesqui-centennial celebration. (Hubbard)
SJR	53	Orders a study of state agency procedure for hearings and rulings. (Ware)
SCR	54	Requests construction of a lake at Gray Hawk. (Bishop)
SJR	55	Orders a study of inheritance and estate tax laws. (C. S. Howard)
SCR	56	Requests inspection of junk yards. (D. W. Howard)
SR	57	Commends the Cherokee District of the Dan Beard Council of Boy Scouts. (Hehl)
SCR	58	Petitions the Secretary of Defense to designate a World War II unknown soldier. (McCann)
SJR	59	Orders a study of a suitable state banking code. (Ware)
SCR	60	Orders allocation of funds for a Blue Lick Park swimming pool. (Blake)
SR	61	Requests exemption of raw materials from the sales tax. (Hamilton)
SCR	62	Orders cooperation among state agencies in developing lakes and water resources. (Bishop, Melton)
SCR	63	Memorializes Congress to consider acquisition of the home of Zachary Taylor. (Kidwell)
SR	64	Makes honorable mention of Senators whose terms expire. (Kelly)
SR	65	Orders a study of homicide laws. (Ware)
SR	66	Urges Senate members to see the "Stephen Foster Story." (Hickerson)
SR	67	Mourns the passing of Rodes K. Myers. (Logan and others)
SCR	68	Adjournment sine die on March 18, 1960. (Ware)
SR	69	Establishes the Old Yellow Creek Fleet and the Fern Creek Fleet. (D. W. Howard, Kinkead)
SR	70	Requests allocation of funds for a Blue Lick Park swimming pool. (Blake)
SR	71	Requests rehabilitation offices at specified cities. (Craft)
SR	72	Requests appointment of a criminal procedure committee. (Garnett)
SR	73	Commends the Maysville High School basketball team. (Kelly)
SR	74	Extends thanks to Senator James C. Ware for his leadership. (Hehl and others)

		Introduced	Referred	Reported	Readings			Adopted	House Message	Enrolled	Other Action
					1st	2nd	3rd				
SCR	48	833						843	1122		
SJR	49	833									
SR	50	898						898			
SCR	51	899						1175			
SCR	52	899						899			
SJR	53	957						1520			
SCR	54	1021						1021			
SJR	55	1024						1024	1498		
SCR	56	1024						1025			
SR	57	1172						1172			
SCR	58	1173						1173			
SJR	59	1174						1174			
SCR	60	1175									
SR	61	1247						1247			
SCR	62	1247					1448	1448	1498	1510	
SR	63	1351						1351	1498		
SR	64	1354						1354			
SR	65	1451						1451			
SR	66	1492						1492			
SR	67	1494						1494			
SCR	68	1499						1499			
SR	69	1507						1507			
SR	70	1508						1508			
SR	71	1509						1509			
SR	72	1516						1517			
SR	73	1520						1520			
SR	74	1537						1538			

HISTORY OF HOUSE BILLS

Numbers refer to page of Senate Journal. The text of bill is given on 1st reading.

HB	1	Sets fee for peace officers inspecting vehicles for registration purposes.
HB	7	Increases jurors' pay from \$5 to \$8 per day.
HB	12	Changes time of filing for office in certain fourth class cities.
HB	15	Transfers North Middletown to the fifth class of cities.
HB	17	Increases penalties for hunting upon another's land without consent.
HB	19	Regulates sale of motor vehicle brake fluid.
HB	29	Changes date of primary elections.
HB	30	Prohibits political contributions by public employees.
HB	32	Amends restrictions on policies of assessment or cooperative insurance companies.
HB	34	Requires Board of Veterinary Examiners to promulgate code of ethics.
HB	35	Permits any public offices to close one work day a week.
HB	36	Permits any city to secure blanket bond for employees.
HB	37	Changes assessment date for fourth class cities.
HB	38	Permits Governor to transfer counties among tuberculosis hospital districts.
HB	39	Authorizes Tuberculosis Hospital Commission to train personnel.
HB	42	Amends laws relating to Teachers' Retirement System.
HB	46	Limits diagnosis or treatment of cancer to licensed medical practitioners.
HB	47	Relates to conveyance of federal prisoner to state court.
HB	48	Allows women to serve on second class city council.
HB	49	Reduces requirement for disability retirement under Kentucky Employees' Retirement System.
HB	50	Authorizes Library Extension Division to provide reading matter for the blind.
HB	52	Allows officers to act as notaries for spouses of armed forces' members.
HB	53	Changes meeting requirements for county registration and purgation boards.
HB	54	Authorizes State Tuberculosis Hospitals to accept persons with other lung diseases.

HISTORY OF HOUSE BILLS

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 1	133	198						
HB 7	116	132						
HB 12	116	132	195	197	205	218	287	
HB 15	137	198	223	224	245	274	287	
HB 17	231	277	555	555	563	832	1015	
HB 19	346	441	958	1005	1114	1525	1534	
HB 29	1015		1026	1026	1200			
HB 30	99	116						
HB 32	332	345	402	402	561	828	1015	
HB 34	133	198						
HB 35	116	132	224	224	245	274	287	
HB 36	231	277	296					
HB 37	822		1248	1290	1357	1530	1535	
HB 38	133	137	246	248	273	289	316	
HB 39	133	137	246	248	273	289	316	
HB 42	99	125	541	542	563	681	894	
HB 46	215	230	339	340	353	385	443	
HB 47	137	198	339	339	353	382	442	
HB 48	231	277	404	404	561	682	894	
HB 49	565							
HB 50	133	198	388	388	561	686	894	
HB 52	822		1176	1183	1290			
HB 53	137	198	375	375	437	566	894	
HB 54	212	219	246	246	273	288	316	

HB	55	Prohibits operation of motor vehicle while under influence of barbiturates.
HB	56	Authorizes certain cities and counties to create joint planning commissions.
HB	62	Concurs in HB 1 of the 1959 Special Session, relating to a constitutional convention.
HB	63	Sets penalty of hard labor for persons convicted of desertion or non-support.
HB	64	Authorizes statue of Alben Barkley in Capitol.
HB	66	Increases foundation program allotments for teachers' salaries.
HB	67	Authorizes circuit court clerks to collect fees for filing financial statements.
HB	68	Changes method of filing chattel mortgages with county clerks.
HB	69	Relates to filing lien instruments.
HB	70	Relates to identification of financing statements.
HB	71	Requires secured party who has terminated his interest to notify clerk.
HB	72	Sets tax on financing statements over $200.
HB	73	Specifies identification of property intended as collateral.
HB	75	Provides three per cent sales tax and sale of bonds to finance Veterans' bonus.
HB	81	Requires that drivers' licenses show blood type.
HB	82	Eliminates federal funds paid in lieu of taxes from calculation of foundation program allotments.
HB	84	Creates 47th Judicial District comprising Letcher County.
HB	85	Authorizes Veterans Bonus to be administered by Adjutant General.
HB	88	Changes term of Grayson Circuit Court.
HB	90	Increases fine for injury to public property.
HB	94	Permits persons to vote at former address if they change precincts after registration books are closed.
HB	95	Includes adopted children in persons exempt from certain inheritance taxes.
HB	96	Changes definition of persons who may form a corporation.
HB	97	Increases per diem for county board of education members.
HB	98	Changes requirements for second class city fire departments.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 55	278	318						
HB 56	278	318	404	405	561	685	894	
HB 62	99	116	127	127	135	189	213	189
HB 63	193	214	394	394	561			
HB 64	822		833	834	894	954	1118	
HB 66	442							
HB 67	125	132	138	138	198	209	382	223, 239, 273, 314
HB 68	125	132	138	138	198	209	229	
HB 69	125	132	138	139	198	209	229	
HB 70	125	132	138	140	198	210	229	
HB 71	125	132	138	140	198	228	681	231, 273, 439
HB 72	125	132	138	141	198	210	229	
HB 73	125	132	138	142	198	210	229	
HB 75	137	137	138	143	198	205	213	193, 199
HB 81	193	214						
HB 82	133	198	845	890	952			
HB 84	199	214	290	290	296	321	382	
HB 85	246	256	258	258	285	294	316	
HB 88	346	441	532	532	563	1526	1534	
HB 90	137	198	343	343	353	384	442	
HB 94	322	345						
HB 95	133	137	1176	1191	1290	1531	1535	
HB 96	345	356	476	477	563			
HB 97	231	276	539	539	563			
HB 98	298	326	353					357

HB 100	Relates to proceeds from leases by counties for Ohio riverbed development.
HB 102	Authorizes fiscal court to provide a deputy circuit court clerk.
HB 103	Authorizes school boards to provide blanket insurance for children on busses.
HB 104	Permits flashing lights on rural mail carriers' vehicles.
HB 106	Prohibits state employment of persons related to legislators.
HB 108	Relates to incorporation of chambers of commerce.
HB 109	Makes sanitation districts subject to certain public utility laws.
HB 117	Repeals certain obsolete laws relating to county road precincts.
HB 119	Relates to police and firemen's pension funds in third class cities.
HB 122	Increases the expense allowance of General Assembly members.
HB 124	Re-enacts Ch. 22 of the 1954 Acts to correct title.
HB 127	Authorizes group life insurance policies for Veterans' associations.
HB 135	Authorizes a fee for sheriffs for collecting sanitation district taxes.
HB 140	Changes requirements for government units providing library service.
HB 142	Changes pay of stenographers for transcribing grand jury testimony
HB 146	Extends the offenses for which a child under sixteen may be tried as a felon.
HB 151	Regulates the spray painting business.
HB 152	Changes provisions for licensing persons handling anhydrous ammonia.
HB 153	Amends Criminal Code relating to judgments requiring peace bond.
HB 155	Relates to reports and appeals of motor vehicle offense convictions.
HB 159	Adds majority and minority caucus chairmen to the Legislative Research Commission.
HB 160	Changes the term of court in the 23rd Judicial District.
HB 161	Authorizes state aid for county roads in suburbs.
HB 162	Revises terms of 19th Judicial District circuit courts.
HB 163	Creates Commission on Human Rights.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 100	385	441	1248	1266	1357			
HB 102	845							
HB 103	346	441						
HB 104	278	318	378	379	437	451	681	
HB 106	322	345						
HB 108	345	356	1248	1289	1357	1502	1520	
HB 109	345	356	691	780	841	1204	1534	1496, 1290, 1446
HB 117	278	318	390	390	561	682	894	
HB 119	137	198	284	284	296	354	382	
HB 122	215	276	322	322	344	355	382	436, 442
HB 124	137	198	1026	1026	1200	1363	1458	
HB 127	1015		1366	1387	1447			
HB 135	953							
HB 140	345	356	388	389	561	567	894	
HB 142	231	277	341	342	353	684	894	
HB 146	346	441	535	536	563			
HB 151	1015		1026	1096	1200	1503	1534	
HB 152	278	318	367	367	437	452	681	
HB 153	346	441						
HB 155	346	441	476	477	563			
HB 159	833		958	1009	1114	1453	1494	
HB 160	346	441						
HB 161	1458							
HB 162	346	441	796	796	841	1019	1290	
HB 163	1122		1123	1169	1200	1498	1520	

HB 164	Requires licensing of business schools.
HB 166	Relates to provision of electric service in annexed areas.
HB 168	Creates a Constitution Revision Committee.
HB 169	Regulates milk processing and marketing.
HB 171	Permits circuit courts to commence on day after a holiday.
HB 172	Changes penalty for petit larceny.
HB 173	Changes requirements for location of a temporary courthouse.
HB 174	Prohibits removal of police and firemen in third class cities except for specified causes.
HB 175	Amends egg handling law.
HB 177	Changes provision for voting by blind persons.
HB 179	Requires perpetual care cemeteries to establish trust funds.
HB 180	Makes deficit appropriations to certain state agencies.
HB 181	Makes appropriation to pay certain approved claims.
HB 183	Changes term of court in the 45th Judicial District.
HB 184	Sets requirements for liability insurance provided county hospital patients by fiscal court.
HB 186	Authorizes certain expense payments to official court reporters.
HB 187	Changes pay of special court reporters.
HB 193	Changes membership of the State Board of Agriculture.
HB 195	Requires collectors to file tax lien notices with county clerk.
HB 196	Regulates resale prices and contracts.
HB 197	Creates Division of Pest and Noxious Weed Control.
HB 199	Establishes merit system of personnel administration.
HB 200	Requires that school board terms caused by vacancies run until the next election.
HB 201	Requires that mortgages secure debt extensions and renewals.
HB 207	Creates a Milk Marketing Commission for dairy regulation.
HB 209	Enacts the Uniform Criminal Extradition Act.
HB 210	Grants free fishing license to persons with sight defects.
HB 211	Subjects motor carrier permits set aside by court order to six months reapplication period.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 164	822		1026	1027	1200	1535		
HB 166	231	277	279	279	296	316	382	356
HB 168	452		845	867	952	1491	1520	
HB 169	298	326	525	526	563	1526	1534	
HB 171	345	356	535	538	563			
HB 172	346	441	550	550	563			
HB 173	231	277	313	314	320	344	382	
HB 174	231	277	284	285	296	355	382	
HB 175	298	326	367	367	437	451	681	
HB 177	1025		1123	1123	1200			
HB 179	452		901	945	1014	1203	1365	
HB 180	345	356	439	439	561	563	894	562
HB 181	298	326	579	615	822	1363	1458	
HB 183	346	441	535	536	563	686	894	
HB 184	845		901	912	1014	1205	1365	
HB 186	345	356						
HB 187	345	356						
HB 193	833		845	845	952	1203	1365	
HB 195	345	356						
HB 196	345	356						
HB 197	278	318	554	554	563	687	894	
HB 199	385	441	478	478	563	680	894	
HB 200	385	441	575	575	680			
HB 201	1388		1388	1432	1447	1499	1520	
HB 207	346	441	579	669	822	1015	1290	
HB 209	345	356	579	616	822	1364	1494	
HB 210	822							
HB 211	346	441	508	510	563	955	1118	

HB 216	Authorizes merger of contiguous cities by majority vote of each.
HB 219	Increases the maximum number of voters permitted in voting machine precincts.
HB 220	Reduces county judges' fees for settling fiduciaries' accounts.
HB 223	Subjects church busses to school bus regulations.
HB 228	Authorizes ordinance provisions for use of city-owned utility earnings.
HB 229	Authorizes motor vehicle instruction permits to persons aged 15 enrolled for driver training.
HB 231	Establishes licensing regulations for auctioneers.
HB 232	Reduces number of petitioners required to organize a sanitation district.
HB 235	Authorizes Department of Mental Health to act in behalf of state patients.
HB 236	Requires executors for state mental patients to ascertain if board and support are paid.
HB 237	Requires filing of inquest certificate with court for release of state mental patients.
HB 238	Revises provisions for commitment and release of incompetents.
HB 244	Authorizes license tax by counties of 300,000 or over.
HB 245	Regulates sale of malt beverages.
HB 247	Requires payment of annual stockyard licenses on or before July first.
HB 250	Regulates erection of highway advertising devices.
HB 251	Authorizes variable life insurance contracts.
HB 252	Prohibits working off of fines imposed by third class cities.
HB 254	Increases hunting limits on pheasant and ruffed grouse.
HB 255	Provides for approval of wild animal traps.
HB 258	Prohibits restrictions on home permanents when given privately.
HB 260	Exempts from taxation property acquired by cities for industrial purposes.
HB 264	Establishes a coal research program.
HB 266	Repeals requirement of second class city planning commission approval of subdivision plats.
HB 267	Revises barber and cosmetologist regulations.
HB 268	Revises limits on the number of alcoholic beverage licenses.

	House Message	Referred	Reported	Readings 1st	2nd	3rd	Enrolled	Other Action
HB 216	345	356	404	413	561	1017	1290	
HB 219	345	356						
HB 220	346	441						
HB 223	346	441	508	508	563	1533	1541	
HB 228	1388		1462	1462	1489	1531	1541	1534, 1535
HB 229	680		901	910	1014			
HB 231	822		1248	1268	1357			
HB 232	822		845	891	952	1022	1290	
HB 235	345	356	415	415	561	683	894	
HB 236	345	356	415	415	561	683	894	
HB 237	345	356	415	432	561	683	894	
HB 238	345	356	415	420	561	683	894	
HB 244	442	442	516	516	563	955	1118	
HB 245	822		1026	1033	1200	1453	1494	
HB 247	346	441	958	1005	1114	1504	1530	
HB 250	1015		1026	1034	1200	1364	1520	
HB 251	452		691	770	841	1120	1290	
HB 252	822		958	1003	1114	1532		
HB 254	565		691	769	841	1458	1520	
HB 255	565		958	1002	1114	1459	1520	
HB 258	565							
HB 260	345	356	516	518	563	827	1015	
HB 264	822		901	908	1014	1204	1365	
HB 266	822							
HB 267	1025		1123	1124	1200	1452	1520	
HB 268	1015		1026	1092	1200	1363	1494	

HB 270	Increases maximum assessment of utilities by Public Service Commission.
HB 271	Increases time for filing alcoholic beverage price maintenance amendments.
HB 273	Creates a state Public School Authority for financing school projects.
HB 274	Authorizes voting machines for counties agreeing to rent-purchase contract.
HB 275	Requires voting machines in all precincts not later than 1963.
HB 276	Increases limit for expenditure on interstate agreements.
HB 277	Authorizes acceptance of federal aid to higher education.
HB 279	Requires inclusion of counsel arguments in court transcripts.
HB 280	Adds grounds for change of venue in civil courts.
HB 282	Increases anual pharmacists' license fee.
HB 284	Prohibits use of emergency vehicle lights on taxicabs.
HB 285	Authorizes free higher learning tuition to children of disabled veterans.
HB 287	Transfers Taylor Mill to the fifth class of cities.
HB 288	Authorizes permanent registration of historical motor vehicles.
HB 290	Revises tobacco warehouse regulations.
HB 300	Biennial administration budget bill.
HB 301	Increases police and firemen's widows' benefits.
HB 303	Removes vehicle search authority from arresting officers.
HB 309	Requires cost of less than $12,000 for Highway Department force account work.
HB 319	Revises Capitol Planning Commission provisions.
HB 320	Establishes fee for examining physicians in alcoholism cases.
HB 321	Requires expense reimbursement to Alcoholism Commission members.
HB 327	Prohibits disposal of impounded vehicles in facilities owned by peace officers.
HB 328	Prohibits firearms on railroad right of ways.
HB 330	Changes capacity limits on distilled spirits containers.
HB 331	Establishes effective date for circuit clerks' retirement participation.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 270	680		845	870	952	1452	1494	
HB 271	565		1026	1098	1200			
HB 273	680		796	797	841	952	1118	
HB 274	680		845	870	952	1200	1365	
HB 275	680		845	876	952	1201	1365	
HB 276	680		1026	1037	1200	1491	1520	
HB 277	680		1026	1037	1200	1452	1494	
HB 279	953							
HB 280	1171		1462	1473	1489			
HB 282	1171		1301	1335	1357	1505	1530	
HB 284	452							
HB 285	953		1026	1038	1200	1457	1520	
HB 287	1025		1355	1357	1447			
HB 288	822		1366	1387	1447	1534	1541	
HB 290	346	441	958	1010	1114	1528		
HB 300	565		579	624	822	894	1015	
HB 301	822		958	1003	1114	1205	1365	
HB 303	1025							
HB 309	845		901	910	1014	1359	1494	
HB 319	822		845	883	952	1204	1365	
HB 320	833		1355	1356	1447	1536	1541	
HB 321	833		1355	1355	1447	1536	1541	
HB 327	1171		1462	1465	1489			
HB 328	1171		1462	1466	1489	1536		
HB 330	1015		1026	1110	1200	1362	1458	
HB 331	845		1176	1197	1290	1505	1530	

HB 332	Changes method of filling circuit clerk vacancies.
HB 334	Authorizes appointment of guards to protect hospitalized prisoners.
HB 335	Requires fencing of junkyards adjacent to highways.
HB 336	Revises the Uniform Support of Dependents Act.
HB 338	Limits city payroll taxes to one-and-one-half per cent.
HB 340	Establishes liquefied petroleum gas licensing provisions.
HB 342	Revises motor vehicle tax provisions.
HB 344	Increases jailers' fees for keeping and dieting prisoners.
HB 348	Revises liquefied petroleum gas tax provisions.
HB 349	Revises county children's bureau provisions.
HB 351	Prohibits purchase or possession of alcoholic beverages by persons 18 to 21 years of age.
HB 354	Increases circuit clerk's fees for state service in felony cases.
HB 356	Authorizes circuit or county clerks' fee for alcoholism commitment petitions.
HB 357	Permits circuit clerks to refuse pleadings or papers without fee payment.
HB 358	Authorizes state retirement credit to former county employes.
HB 361	Requires circuit clerks to furnish vital statistics after divorce, marriage, adoption, or annulment.
HB 366	Vests authority for county road planning and construction in Highway Department.
HB 370	Makes non-profit fire department eligible for fire department aid.
HB 373	Permits incorporation of cooperative marketing associations.
HB 375	Revises provisions for judges in incompetency cases.
HB 376	Increases values in controversy in determining court jurisdiction.
HB 383	Creates a Commission on Public Education to study school problems.
HB 385	Authorizes construction of National Guard armories at Campbellsville and other unit locations.
HB 389	Revises provisions relating to abandoned property.
HB 390	Requires all firms to pay employes to a day not more than 18 days before payment date.
HB 392	Creates a Joint Legislative Advisory Committee.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 332	833		1366	1386	1447			
HB 334	1015							
HB 335	1025		1123	1148	1200			
HB 336	953							
HB 338	1462		1462	1484	1489	1527		
HB 340	1015		1176	1191	1290	1514	1530	
HB 342	1025		1123	1138	1200	1452	1494	
HB 344	1025		1366	1373	1447	1524	1541	1534
HB 348	953		1366	1377	1447	1514	1530	
HB 349	1171							
HB 351	1025		1355	1356	1447			
HB 354	1362		1366	1372	1447			
HB 356	1171		1366	1375	1447			
HB 357	1025		1366	1386	1447	1531	1535	
HB 358	1015		1176	1198	1290	1458	1520	
HB 361	1015		1176	1198	1290	1505	1530	
HB 366	1171		1248	1248	1357	1501	1520	
HB 370	1015		1248	1281	1357	1526	1534	
HB 373	845		901	907	1014	1361	1458	
HB 375	1025		1462	1467	1489			
HB 376	953		1366	1385	1447	1526	1534	
HB 383	845		901	911	1014	1365	1494	
HB 385	1294		1366	1374	1447	1524	1534	
HB 389	953		1026	1099	1200	1515	1534	1516
HB 390	1362							
HB 392	1025		1462	1464	1489	1527	1534	

HB 398	Authorizes clerks and deputies for justices of the peace in counties with a second class city.
HB 401	Creates a Strip Mining and Reclamation Division in the Conservation Department.
HB 402	Increases automobile allowance for constables and deputies.
HB 405	Establishes salary limits for deputy constables in counties with a first class city.
HB 407	Requires cities to return owners' property when not used for public purposes.
HB 408	Provides for state referendum on capital punishment.
HB 413	Authorizes Municipal College Support Districts for counties with a second class city.
HB 416	Prohibits damage to highway plant life and dumping of debris on highways.
HB 422	Requires county treasurers to settle accounts within 30 days after fiscal year.
HB 426	Authorizes loan Companies in fourth class cities.
HB 429	Revises aeronautics regulatory provisions.
HB 431	Creates an Airport Development Commission for airport finance.
HB 433	Revises salary provisions for constables in counties of over 250,000 population.
HB 434	Deletes reference to state purchase of liability insurance for state aircraft.
HB 437	Revises the school foundation law.
HB 438	Revises absent voting provisions.
HB 439	State agency reorganization bill.
HB 441	Prohibits traffic in misbranded hazardous substances.
HB 442	Authorizes school attendance credit for time spent in 4-H activities.
HB 444	Prohibits conflict of interests between state officials and state matters.
HB 445	Regulates traffic in amphetamine drugs.
HB 446	Regulates traffic in foods and drugs.
HB 449	Authorizes tax deductions for foreign insurance companies.
HB 450	Authorizes creation of area planning commissions as political subdivisions.
HB 451	Excepts only counties with a first class city from requirement of fiscal court maintenance of subdivision roads.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 398	1015		1248	1289	1357	1527	1534	
HB 401	1294		1301	1346	1357	1501	1532	1520
HB 402	1388		1462	1476	1489	1532	1535	
HB 405	1388		1462	1475	1489	1532	1535	
HB 407	1015							
HB 408	1015							
HB 413	1015		1026	1095	1200	1362	1458	
HB 416	1171		1388	1433	1447	1533	1541	
HB 422	1294		1301	1302	1357	1457	1520	
HB 426	1015		1176	1182	1290	1505	1530	
HB 429	1025		1301	1303	1357	1461	1520	
HB 431	1015		1026	1038	1200	1459	1520	1460
HB 433	1462		1462	1483	1489	1533	1541	
HB 434	1015		1301	1301	1357	1502	1520	
HB 437	1388		1388	1434	1447	1499	1520	
HB 438	1025		1123	1148	1200	1451	1494	
HB 439	1015		1026	1044	1200	1455	1494	
HB 441	1015		1026	1105	1200	1514	1534	
HB 442	1025		1248	1280	1357	1532	1535	
HB 444	1122		1123	1153	1200	1450	1520	1450, 1497
HB 445	1015		1026	1080	1200	1460	1520	
HB 446	1171		1248	1249	1357	1514	1530	4191
HB 449	1171		1301	1332	1357			
HB 450	1025		1248	1276	1357	1503	1534	
HB 451	1015							

HB 455	Authorizes county fiscal courts to impose restraining orders on city legislative bodies.
HB 456	Exempts sewer construction districts from metropolitan sewer district regulation.
HB 457	Revises workmen's compensation provisions.
HB 460	Requires superintendent's recommendation for school employe transfers.
HB 461	Increases salaries of state agency commissioners.
HB 462	Authorizes establishment of Congressional Medal of Honor markers.
HB 464	Authorizes joint operation of water supply sources by two or more cities or water districts.
HB 466	Corrects inconsistencies between the Uniform Commercial Code and the Kentucky Revised Statutes.
HB 467	Requires conduct of government agency business at open meetings.
HB 469	Prohibits off-highway travel in forests during dry periods.
HB 470	Establishes controls for forest pests.
HB 471	Revises watershed conservancy districts provisions.
HB 472	Authorizes workmen's compensation coverage for National Guard members.
HB 474	Authorizes execution sales on the premises.
HB 476	Requires payment of unusued county officials' fees to fiscal court.
HB 477	Requires a minimum of $5,000 on justices' bonds.
HB 480	Authorizes special number motor vehicle license plates.
HB 481	Authorizes public improvements by first class cities in the manner of other cities.
HB 485	Creates an Executive Mansion Committee for supervision of the building.
HB 491	Requires selection of consecutively listed names for jury service.
HB 492	Authorizes Yield-Right-of-Way signs at highway intersections.
HB 493	Repeals provisions regarding method of Highway Department employes' payment.
HB 494	Authorizes Highway Department to fight Johnson Grass on right of ways.
HB 495	Revises Racing Commission provisions.
HB 497	Revises motor vehicle tax provisions.

	House Message	Referred	Reported	Readings			Enrolled	Other Action
				1st	2nd	3rd		
HB 455	1015		1462	1467	1489			
HB 456	1015		1026	1082	1200	1505	1530	
HB 457	1171		1206	1206	1290	1461	1520	
HB 460	1362							
HB 461	1458							
HB 462	1388							
HB 464	1025		1176	1184	1290	1368	1494	
HB 466	1025		1301	1330	1357	1459	1520	
HB 467	1362							
HB 469	1025		1206	1221	1290	1490	1520	
HB 470	1025		1206	1222	1290	1490	1520	
HB 471	1025		1206	1224	1290	1490	1520	
HB 472	1294		1366	1385	1447	1525	1534	
HB 474	1171							
HB 476	1025		1366	1385	1447	1534	1541	
HB 477	1388		1462	1462	1489	1537	1541	
HB 480	1462		1462	1477	1489	1536	1541	
HB 481	1025		1355	1357	1447	1537	1541	
HB 485	1171		1206	1245	1290	1457	1520	
HB 491	1122							
HB 492	1122		1123	1155	1200	1491	1520	
HB 493	1122		1123	1157	1200	1458	1520	
HB 494	1122		1123	1157	1200	1457	1520	
HB 495	1294		1301	1338	1357	1504	1530	
HB 497	1447		1462	1484	1489	1513	1530	

HB 498	Provides for referendum on state bond issue for highways and parks.
HB 499	Authorizes establishment of Urban Service Districts for municipal services.
HB 500	Prohibits recruiting of employes during labor strike or lockout.
HB 502	Requires disqualification notice to voters by registration boards.
HB 504	Deletes specified prohibitions against employment of minors.
HB 505	Revises property, motor vehicle, and alcoholic beverage taxes.
HB 506	Requires provisional motor vehicle operator's license for persons under age 18.
HB 508	Requires annual audit of all boards of education in the state.
HB 509	Revises sewer districts provisions.
HB 511	Authorizes annual salary for circuit court commissioners and receivers in counties with a first class city.
HB 512	Authorizes publication of public notices by radio broadcast.
HB 513	Authorizes public auction of prison-manufactured articles.
HB 516	Authorizes execution of public securities by facsimile signature.
HB 517	Authorizes use of school funds for motor vehicle liability insurance.
HB 518	Adds two faculty members to the University of Kentucky Trustees Board.
HB 519	Removes fees charged for teachers' certificates.
HB 520	Adds TVA obligations to securities authorized for public investments.
HB 521	Provides for free textbooks in state college practice schools.
HB 522	Authorizes Highway Commissioner to establish speed limits on limited access highways.
HB 523	Increases maximum risk valuation assumed by the State Fire and Tornado Fund.
HB 529	Authorizes Finance Commissioner to secure blanket bonds on departmental basis.
HB 531	Authorizes jailer's fee for keeping prisoners held on fugitive warrants.
HB 535	Establishes regulations for public health sanitarians.
HB 538	Requires bond for persons guilty of check fraud.
HB 541	Requires filling or covering of abandoned excavations.

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HB 498	1122		1123	1158	1200			
HB 499	1362		1462	1470	1489	1515	1530	
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HB 502	1294		1301	1345	1357	1513	1530	
HB 504	1362							
HB 505	1388		1388	1388	1447	1497	1520	
HB 506	1171		1388	1434	1447			
HB 508	1462							
HB 509	1458		1462	1478	1489	1527	1534	
HB 511	1171		1248	1267	1357	1506	1534	
HB 512	1462							
HB 513	1388							
HB 516	1362		1462	1472	1489	1513	1530	
HB 517	1362		1366	1376	1447	1496	1520	
HB 518	1362		1366	1369	1447			
HB 519	1362		1388	1388	1447	1497	1520	
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HB 523	1362		1366	1371	1447	1502	1520	
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Numbers refer to page of House Journal. Text of resolution is given on first reading or adoption. Joint resolutions are designated HJR; concurrent resolutions are designated HCR.

HCR	**5**	Adjournment January 6, 1960, until January 11, 1960.
HJR	**7**	Makes an appropriation to the Legislative Research Commission.
HCR	**8**	Requests federal status for Kentucky Highway 80.
HJR	**9**	Orders additional highway signs prohibiting littering.
HCR	**10**	Urges congressional removal on state old-age assistance payments limits.
HJR	**11**	Requests Public Service Commission gas rate study in Knott County.
HCR	**13**	Adjournment in memory of William "Banjo Bill" Cornett.
HJR	**21**	Authorizes payment of per diem and expenses due William "Banjo Bill" Cornett.
HCR	**24**	Requests inclusion of Johnson grass control as cost sharing practice in county agricultural program.
HCR	**27**	Memorializes Congress to create a coal research agency.
HCR	**28**	Extends greetings to the Soil Conservation Association.
HJR	**32**	Orders a study of mosquito control programs.
HCR	**35**	Encourages observance of land-grant education anniversary.
HCR	**40**	Adjournment in honor of Sidney Johnson Collins.
HCR	**53**	Orders study of establishment of a home for illegitimate children.
HCR	**56**	Requests appropriation to the Kentucky Civil Air Patrol.
HCR	**58**	Requests observance of National 4-H Week.
HCR	**62**	Takes notice of the Henderson sesqui-centennial celebration.
HJR	**63**	Directs marking of the Jenny Wiley grave.
HJR	**64**	Requests federal assistance in collecting sales taxes on military posts.
HCR	**65**	Orders establishment of Rocky Creek State Park.
HCR	**70**	Memorializes Congress to provide funds for constructing Cave Run Reservoir.
HCR	**72**	Orders construction of Piney-Clifty Lake.
HCR	**75**	Memorializes Congress to amend tobacco allotment laws.
HJR	**79**	Orders payment of claim to the Robert D. Markel estate.

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HCR	**92**	Requests Congress to credit state taxes against federal distilled spirits tax.
HCR	**94**	Directs establishment of a state park in Allen County.
HJR	**95**	Directs a study of educational television.
HCR	**96**	Compliments Eastern Kentucky Tourist Industries Council.
HJR	**99**	Requests establishment of a state park at Falls of Rough.
HCR	**100**	Opposes rescission of the Connally Amendment to the World Court Resolution.
HJR	**105**	Orders a study of planning and zoning laws.
HCR	**106**	Urges state equipment purchases from Industries for the Blind.
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HCR	**108**	Commends the Western State College basketball team.
HCR	**112**	Requires inventory of General Assembly property.
HR	**115**	Commends the Cherokee District of the Dan Beard Council of Boy Scouts.
HCR	**117**	Memorializes the Corps of Engineers to study the Marshall County swamp drainage ditch.
HCR	**118**	Invites the Woodmen of the World Insurance Society to establish headquarters in Kentucky.
HCR	**119**	Requires a study of establishing the position of General Assembly Parliamentarian.
HCR	**121**	Requests consideration of a state park at Raven's Rock on Pine Mountain.
HCR	**123**	Requests appointment of a junior college study commission.
HCR	**128**	Urges Congress to provide a dam at Bunche's Creek on the Cumberland River.
HCR	**129**	Authorizes additional copies of the Legislative Record.
HCR	**130**	Requests erection of markers for persons holding the Congressional Medal of Honor.
HCR	**137**	Memorializes Congress to enable the state to revise illegitimate children's assistance.
HCR	**139**	Requests stamping of unusued printed bills with final disposition.

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